ARQIVA

Arqiva Broadcast Parent Limited

Registered number 08085823

Annual Report and Financial Statements

For the year ended 30 June 2026

Contents

	Page
Corporate Information	3
Cautionary Statement	4
CEO statement	6
Strategic Report	10
Governance	53
Directors' Report	58
Statement of Directors' responsibilities in respect of the financial statements	59
Independent auditors' report to the members of Arqiva Broadcast Parent Limited	60
Consolidated statement of profit or loss	69
Consolidated statement of comprehensive income	70
Consolidated statement of financial position	71
Company statement of financial position	73
Consolidated statement of changes in equity	74
Company statement of changes in equity	76
Consolidated statement of cash flows	77
Notes to the consolidated financial statements	79

Corporate Information

As at the date of this report (27 October 2026):

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Company Registration Number

08085823

Cautionary Statement

This Annual Report and Financial Statements contain various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein. When used in this report, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Group, have been used to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, the Group does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Guidance note to the Annual Report and Financial Statements:

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

References to a year expressed as 2026 or to ‘current year’, ‘this year’ and ‘the year’ are to the financial year ended 30 June 2026. This convention applies similarly to any reference to a previous or subsequent financial year. References to the ‘prior year’ and ‘last year’ are to the financial year ended 30 June 2025.

Unless otherwise stated, all financial amounts are presented in the Group’s functional currency of pound sterling and rounded to the nearest £ million.

Arqiva at a glance

BUILT FOR WHAT'S CRITICAL

Who we are

Some services simply can't stop. In a complex world, every signal, every asset, every secure connection must work without exception. For broadcasters, utilities networks and public institutions the non-negotiables are the same: constant performance, flawless resilience, and decisions that are secure in the face of scrutiny. Arqiva designs, builds and operates the foundations that keep systems, sites and audiences connected. From cloud and IP delivery to networks, monitoring and managed services, Arqiva takes on the complexity behind the scenes so our partners can move forward with confidence. With deep expertise, disciplined operations and more than 100 years of delivery, Arqiva reduces risk, provides operational assurance and enables change without disruption.

Business model

Built for what's critical.

Arqiva is at the heart of Media and Broadcast (M&B) and Smart Utilities Networks (SUN) in the UK, providing critical data, network, and communications services. Arqiva works in partnership with its customers, delivering vital connectivity. We build and operate 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 operates through two main commercial functions, Media and Broadcast and Smart Utilities Networks supported by non-revenue generating Operations, Technology and Corporate functions. Arqiva earns revenue from its customers through the provision of network access, transmission service and utilities communication infrastructure, 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.

During the year the Board reviewed the Group's long-term strategy and business plan. This resulted in a refreshed strategy focused on Evolve, Expand and Establish, underpinned by Execute. The strategy was launched following the financial year end.

Arqiva has £1,060 million of property, plant, and equipment as at 30 June 2026. Our business focus, assets, operations and markets are predominantly in the UK. We currently have a small overseas footprint and therefore have minimal exposure to international markets and foreign exchange. However, this is evolving as we have established new business development roles in targeted markets, aimed at growing our cloud based global media management services.

Arqiva is financed through a mixture of equity and long-term debt, with an average maturity debt profile of over 3 years. The Group's senior debt also benefits from an investment grade BBB+ rating from Standard and Poor's and BBB from Fitch. The Group's junior debt is rated B by Standard and Poor's and B2 by Moody's.

CEO statement

This has been a significant year of delivery for Arqiva. We achieved revenue growth, improved operational performance across multiple areas, and made good progress in reshaping the business. Against a backdrop of evolving regulation, changing customer needs and continued economic pressure, we have remained focused on what matters most: executing reliably for our customers, strengthening financial resilience, and positioning the organisation for sustainable long-term growth.

Financially, the Group returned material revenue growth of 9% to £693 million, driven primarily by the scaling of activity in Smart Utilities Networks as recently secured water metering contracts moved into delivery. Underlying EBITDA reduced to £269 million (FY25: £309 million), largely reflecting the impact of a non-cash provision in our water contract portfolio recognised during the year.

The Group also recognised exceptional impairment charges of £722 million, reflecting updated assumptions of future performance in our Smart Utilities Networks and Media and Broadcast segments. Both the provision and the impairment charges are non-cash accounting adjustments and do not affect our liquidity or covenant positions.

We maintained strong underlying free cash flow of £215 million (FY25: £225 million), while supporting increased investment in both future growth opportunities and infrastructure resilience.

We also took decisive action to position the business for the next phase of our journey in structurally transforming the cost base. Alongside this, management has been focused on cash generation, disciplined working-capital management, further cost efficiency opportunities and maintaining financial strength. Refinancing activity completed during the year, including the issue of a £500 million subordinated public bond and extensions to key facilities, extended the terms of our debt and supported the Group's long-term capital structure.

All this is in the context of the vital role that Arqiva plays in society. We operate networks, platforms and services that support broadcasters, media organisations and utility companies in connecting people to the content, data and services they rely on every day. That responsibility continues to guide how we operate, invest and make decisions.

Strategic evolution and the next phase of growth

We have reviewed our long-term strategy and sharpened our focus on where Arqiva creates the greatest value for customers, end-consumers, shareholders and wider stakeholders.

The outcome is a refreshed strategy built around four business priorities: **Evolve, Expand, Establish** and **Execute**. These priorities provide a clear framework for decision-making, investment and operational delivery.

- We need to actively **evolve** our mature portfolio by continuing to provide resilient TV and radio broadcast services and essential connectivity for energy customers while recognising the greater pressure to optimise value for our customers. In doing so, we can maximise platform longevity. This year we renewed and extended contracts worth over £449 million.

- We need to **expand** in areas where we already have strong positions by scaling our water networks, growing services beyond the meter and extending managed media services. This helps us to deepen customer relationships, build on existing capabilities and capture adjacent growth where Arqiva has a clear right to win.

- We need to further diversify and **establish** a small number of new growth businesses where our infrastructure, operational expertise and customer relationships can create long-term value, including in government and defence. This is about building future growth engines selectively, with disciplined investment and a clear view of where Arqiva can compete credibly.

- And finally, we need to continue to **execute** with discipline every day. Improving safety, customer delivery, operational performance, cost efficiency and cash generation will be key to our success. This will help us create a leaner, more focused business while maintaining the reliability and service levels our customers expect.

Our strategic review and evolution informed many of the decisions taken during the year, to simplify the organisation, improve efficiency and focus investment on the areas with the greatest opportunity for sustainable long-term value creation. Some of these changes have been difficult, particularly where they have impacted our people.

As part of this transformation, around 170 colleagues left the business during the year. We recognise the impact this has had on the individuals and their teams, and we have worked to support people through the transition with care and respect.

Operational performance

Operational performance during the year reflected the breadth of Arqiva's role across critical communications infrastructure: maintaining reliable services in mature markets, supporting customers through technology change, and mobilising growth in smart utilities.

Our Media and Broadcast business maintained a strong operational performance throughout the year, achieving 99.995% broadcast network availability and consistently meeting the high standards expected by customers, viewers and listeners. Enhanced remote monitoring, diagnostics and intervention capabilities further improved operational effectiveness and responsiveness, strengthening service resilience across the portfolio. This performance reflects a continued commitment to operational excellence and the reliable delivery of critical national media infrastructure, ensuring dependable services for audiences across the UK.

Digital Terrestrial Television is an important universal service, providing access to free-to-air television for millions of households. During the year, we continued to engage actively in the national debate on the future of television distribution, including through the Department for Digital, Culture, Media & Sport (DCMS) Future of TV Distribution Forum and subsequent publication of the June 2026 Media Green Paper consultation. We set out a clear case for a modernised, efficient, resilient and secure hybrid model that combines broadcast and internet-delivered television, preserves universal access and supports choice as viewer habits evolve.

We have also continued to develop new services that support customers as they manage both traditional linear services and streaming-led propositions. Our Managed Media Services portfolio is designed to extend the value we provide to customers and position the business for future patterns of media consumption.

Radio remains an important source of revenue, supported by strong demand for national DAB capacity and continued customer commitment to digital audio. During the year, we renewed and extended radio contracts worth £236 million, including long term FM radio contracts, and announced Nation Radio as the launch partner for Arqiva's new fully managed, cloud-native Audio Streaming platform.

Our Smart Utilities Networks business delivered strong growth and further consolidated its role in supporting the UK utilities sector, principally driven by mobilisation of new AMP8 water metering contracts secured in the previous financial year. Arqiva now supports a growing number of water companies with a base of over 3 million connected water meters. The Group also continues to provide critical communications services for energy customers, principally through the Communications Service Provider North contract with Smart DCC. The Smart DCC contract renewal remains an important priority. We delivered 1.6 million new smart meters in the UK during the year to our energy and water customers.

The longer-term opportunity in Smart Utilities Networks is significant. AMP8 funding mechanisms continue to support accelerated deployment of smart metering and associated technologies, and we are well positioned to enable this transition through scalable and cost-effective network solutions.

Health & Safety

Health and safety remains fundamental to how we operate. During the year, we maintained a strong safety performance with a low incident rate across our operations, while continuing to focus on the risks with the greatest potential to cause serious harm.

We also continued to learn from high-potential events, using insights from investigations and reviews to drive continual improvement. Our commitment to protecting our people and delivering safe, reliable operations was recognised through the achievement of a RoSPA Gold Award. While encouraged by this performance, we are focused on reducing risk and ensuring everyone goes home safe every day.

ESG

Sustainability is integral to our strategy, operations and decision-making. As an infrastructure business with a national footprint, we take seriously our responsibility to reduce our environmental impact and enhance the environments in which we operate. During the year, our science-based net zero targets were validated, and we joined the UN Global Compact, reinforcing our commitment to responsible business conduct.

We were awarded a five-star rating by GRESB, the highest recognition for sustainability performance in the global data infrastructure sector. This places Arqiva among the top 20% of participants worldwide and provides external recognition of the progress we are making in ESG governance, transparency and responsible business practices. Additionally, our Carbon Disclosure Project (CDP) rating increased to A- for Climate from B the previous year and our MSCI (Morgan Stanley Capital International) ESG rating was maintained at AA placing us in the ‘Leader’ category.

This supports our broader commitment to embed sustainability more consistently across Arqiva and to report our performance clearly to stakeholders.

People strategy

Our ambition is unchanged: delivering a business that is the right size and shape, with the right capabilities to drive diversification and growth. We have matured our data and governance around strategic workforce planning and launched our Skills Management platform. This enables us to mitigate risks around core capabilities while purposefully investing in future skills aligned to our strategic priorities.

Our culture remains a key strength, with our Inclusivity score 11 points above the UK benchmark in our November 2025 engagement survey. We continue to invest in line manager capability and learning & development, specifically to unlock the potential of artificial intelligence and empower the business to enhance speed, agility and overall performance.

Shareholder changes

The year also saw changes to our shareholder base as funds managed and advised by Polus Capital Management acquired equity interests previously held by Macquarie Asset Management and IFM Investors.

I view this as a strong endorsement of Arqiva's long-term prospects, the strength of our business model and the strategic opportunities ahead of us. Importantly, these changes have had no impact on the day-to-day operations, governance arrangements or financing of the Group. We continue to benefit from a supportive and engaged shareholder base and a Board that understands the long-term nature of our company.

Looking ahead

Looking ahead, I am confident about Arqiva's future. The markets we serve are changing, but the need for secure, resilient and cost-effective infrastructure is only increasing. That creates real opportunity for a business with our national footprint, technical expertise, long-term customer relationships and proven ability to operate critical services at scale.

Our task now is to convert that position into sustainable value. We will continue to strengthen the core, scale the areas where we already have momentum, and invest selectively in opportunities where Arqiva has a clear right to win. We will do so with discipline: focusing on cash generation, improving efficiency, delivering for customers and ensuring that Arqiva remains resilient in a changing market.

I would like to thank our colleagues, customers, suppliers, shareholders and wider stakeholders for their continued support. We have taken important steps this year to strengthen Arqiva. With a clear strategy, a more focused business and the commitment of our people, we enter the year ahead with confidence: clear about our role, disciplined in our choices and ambitious about the value Arqiva can create.

Shuja Khan

Chief Executive Officer
27 October 2026

Strategic Report

Arqiva Business Overview and Update

Solid underlying financial performance during the year reflects the resilience of the Group's long-term contracts and progress delivering the Group's strategy, despite competitive market dynamics, a more challenging macroeconomic environment and the uncertainty caused by the Government's ongoing reviews of the future of TV and radio.

The Group remains well positioned to support customers with its robust infrastructure base, and portfolio of digital, IP and cloud-based solutions.

Media and Broadcast

The Group benefits from a regulated position as the UK's sole provider of universal television and national radio broadcast transmission services. It operates over 1,450 transmission sites nationwide, including c.1,150 television sites, and holds licences for two of the six national digital terrestrial television (DTT) multiplexes. In radio, the Group maintains 100% national market share, delivering both analogue and digital services via an extensive infrastructure of approximately 1,700 analogue transmitters and 1,020 digital audio broadcasting (DAB) transmitters across 690 sites, providing coverage to c.99% of the UK population. The Group operates the two national commercial DAB multiplexes (including through joint ventures), holds 25 of the UK's 58 local DAB licences and serves as the service provider for the BBC's national digital radio multiplex.

Evolve: Digital Terrestrial Television

DTT is the only resilient, mission-critical service in the UK television market that can deliver mass reach at scale. According to Ofcom 2026 Media Nation's report, audiences (individuals aged 4+) watch an average of 2 hours and 19 minutes of broadcast TV per day, with DTT delivering the majority of this viewing. DTT continues to provide primary television access for around 10 million UK households. As the audience shift continues from traditional platforms especially from younger audiences moving to IP delivered content; live viewing continues to remain a substantial component of TV consumption and draws very high audiences to live events and stand-out shows. As an illustration, the Celebrity Traitors finale in November 2025, BBC's hit show, was watched by over 12 million people, with 45% viewing via DTT. According to the Broadcasters' Audience Research Board (BARB), live viewing accounted for 45% of total identified viewing on the TV set in December 2025, including younger age groups.

The Group's DTT platform had 94% utilisation at 30 June 2026, maintaining 34 TV streams that carry 43 channels. The platform continues to support a broad range of national broadcast services and remains underpinned by long-dated customer contracts with large media groups extending into the early 2030s. 18 channel renewals were completed and three new channels were launched during the year with two further channel launched in the first half of the financial year ending 30 June 2027.

The number of households combining DTT with over-the-top (OTT) services continues to increase, with around 70% of UK households now paying for at least one video streaming service. The proportion of UK households with a Subscription Video on Demand (SVoD) service continued to plateau year-on-year, and was only two percentage points higher than it was in 2021. Within this, there has been a significant shift toward lower-priced, ad-supported subscription tiers. Ongoing cost-of-living pressures reinforce Freeview's appeal as a universal, free-to-air DTT service for households seeking to manage media spend in the United Kingdom.

The emergence of hybrid consumption by viewers splitting their time between broadcast and streaming TV requires our customers to run both linear broadcast and streaming services (e.g., ITV & ITVX). Whilst this creates competitive and cost pressures for the Group's traditional linear business, it opens opportunities in our Managed

Media Service segment, which provides global distribution of content using satellite and fibre as well as IP streaming and video-on-demand processing services. Growth in these new markets is being targeted through the expansion of the Group's capabilities and products across the media supply chain, including playout (which creates & packages TV channels), multiplexing (which processes content making it fit for onward distribution), distribution, monetisation using addressable advertising, and delivery to end user devices.

Over the last 18 months, Arqiva has played an active role in the DCMS Future of TV Distribution Forum. In June 2026, the DCMS published its Media Green Paper *Watch this Space: A New Strategic Direction for UK Media.* 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 outlined two possible scenarios for the future of DTT beyond the current licence period; either a full DTT switch off in 2034, or a fixed term extension to 2044. Under the DCMS's 2044 option, Arqiva would reduce the cost of DTT transmission for the Public Service Broadcasters (PSBs) from 2034, protecting universal coverage and viewers who remain heavily reliant on DTT and release the 600 MHz radio spectrum for auction by Government and use by the mobile sector.

Arqiva continues to advocate for the enduring role of broadcast services until 2044, which would provide a modernised, cost and energy efficient hybrid DTT and internet delivered television ecosystem. This would preserve a vital universal service and ensure access to free TV services for viewers irrespective of their location, age or income. It would also ensure that we retain choice for viewers, support broad access to television services and maintain a resilient national distribution model as viewing habits continue to evolve. Retaining DTT until 2044 also ensures there are no knock-on consequences for the radio sector and that the UK retains a diverse and resilient communications delivery infrastructure alongside internet delivered services.

Evolve: Radio

Live radio reach remains high, with 86.9% of listeners tuning into radio for an average of 19.9 hours per week, according to Ofcom's 2026 Media Nation's Report. Digital radio remains the primary form of radio listening with Digital Audio Broadcasting (DAB) accounting for 43.1% of total radio listening hours, an increase of 13.1% over 10 years, followed by AM/FM (analogue radio) at 24%. Internet-supported Smart speaker listening has remained steady over the past year, reflecting 18.8% of all live radio listening, alongside growth in streamed music and podcasts.

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 (D1) multiplex capacity being contracted until 2035. The second national multiplex remains full, with 100% of capacity contracted until at least 2028. 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 also continued, with several contracts extended beyond 2030.

The Group is supporting customers and the industry by continuing to promote digital DAB radio as an attractive medium for listeners and 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.

In April 2026, the Group announced Nation Radio as the launch partner for Arqiva's new fully managed, cloud-native Audio Streaming platform under a multi-year agreement to support hybrid traditional and streaming consumption. Nation Radio broadcasts on DAB and online and is one of the UK's fastest-growing commercial radio groups. Arqiva will use the platform to support audience growth, enhance listener experiences and accelerate digital monetisation, with the Group providing full control over content distribution, monetisation, analytics and operational support. Under the agreement, Nation Radio will migrate all 33 services to Arqiva's platform, delivering around five million listening hours per month and up to one million targeted audio adverts per day. The platform provides scalable, low-latency delivery, real-time audience insights, smart speaker and podcast distribution, and enterprise-grade resilience.

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

Evolve: Direct to Home (DTH)

The Group's Managed Media Services segment is a leading UK provider of satellite uplink and distribution services, delivering c.24% of fully managed channels for DTH broadcast. It operates more than 80 uplink dishes across five teleports, accessing over 25 satellites to deliver content to five continents. The DTH platform remains close to full capacity, underpinned by long-term renewals secured to 2029 with key customers, and continues to attract new channels to market, including three new HD launches in the first quarter of year ending 30 June 2027.

Expand: Managed Media Services (MMS)

The Group provides customers with a comprehensive range of software and infrastructure services to deliver their data, broadcast content and media services internationally. In addition, the Group provides encryption, multiplexing, uplinking and satellite space to channel operators through its global media distribution offering.

The Group provides network connectivity capabilities at over 300 key Media and Broadcast locations delivering content in the UK through its own optical and IP enabled networks and to the five continents around the world through leased access to a third-party global fibre network. The Group also provides IP and cloud-based services including distribution of broadcast channels and live sports globally, reaching over 100 countries, video-on-demand content to over 40 streaming platforms including Paramount+ and Apple TV, cloud-based content processing services and streaming solutions for OTT platforms.

The Group is expanding its capability in Managed Media Services, developing and launching products to manage media supply chain for broadcast and streaming customers. These include:

- **VoD Processing Platform**: Arqiva has launched a new cloud-based Video on Demand (VoD) platform, enabling delivery of VoD content to major streamers and TV platforms, with the first customer onboarded in June 2026.

- **Arqplex**: Arqiva's on-premises and cloud multiplexing deployment, which enables processing of video content, is in service supporting Public Service Broadcasters and global customers, as well as providing cloud-based disaster recovery for ITV and MultiChoice Group.

- **Arqade**: Arqiva's cloud-based video content exchange product now provides access to over 700 channels and supports global media distribution, including live sports such as the Olympics and Rugby World Cup distribution for Sky NZ and other major international deployments.

- **Arqads**: Arqiva's advertising solution inserts targeted commercial spots into linear television broadcasts. This solution is already supporting monetisation on platforms such as Sky AdSmart, and a technical and commercial rollout on DTT is planned end-2026 to increase television advertising yield and improve overall terrestrial television value.

- **Cloud Playout**: Arqiva has developed a cloud playout offering to broadcasters in the UK and globally, which creates a scheduled playlist and generation of a TV channel including ad breaks. Playout enables our customers to respond more rapidly to changing market conditions and a commercial launch is imminent.

Order Book

Media and Broadcast has a long-term order book[1] of £2.1 billion (2025: £2.2 billion). A substantial proportion of the value of the order book comprises RPI-linked medium to long-term contracts as far as 2035. The stability of this order book reflects the resilience of the transmission business, alongside the Group's continued focus on evolution of core infrastructure markets and the expansion of scale media services that add value.

Broadcast Transmission Regulation

The Office of the Adjudicator - Broadcast Transmission Services (OTA-BTS) completed a review of the regulatory accounts for the year ending 30 June 2025 and published his findings in his quarterly report. OTA-BTS' work with external consultants NERA (National Economic Research Associates Inc.) on reviewing the cost and pricing models and valuation models continues. The OTA-BTS' 2026-2027 published work plan and reporting indicates it will undertake a review of the applicable WACC and inflationary mechanic.

Smart Utilities Networks

Arqiva's Smart Utilities Networks (SUN) business serves two principal markets. Arqiva is the primary smart metering connectivity provider to electricity and gas retailers in the North of England and Scotland through the Group's contract with the Data Communications Company (DCC). The Group is also the largest provider of water smart metering solutions to help reduce water consumption and leakage. Beyond these primary focus areas, Arqiva provides secure connectivity solutions to enable utility companies to operate remote sites and assets resiliently.

In building and operating solutions that provide our Utility customers with the connectivity and data to help them deliver for the end consumer and in line with their regulatory commitments, Arqiva uses a range of network communication technologies, including our Flexnet network solution, NBIoT (Narrowband Internet of Things) and LoRaWAN (Long Range Wide Area Network), as well as satellite, to provide connectivity. This connectivity is combined with relevant hardware, service, data and insights to create comprehensive solutions that Utility customers can rely upon now and in years to come.

Water sector update

Smart metering remains a priority area for investment for water companies and Ofwat to combat water scarcity in the UK due to a growing population and climate change. Currently, less than 20% of UK premises have a smart water meter and 20% of water is lost through leakage. Smart meters provide an opportunity for our water customers to meet ambitious environmental and sustainability targets focused on reducing leaks and consumption, as well as reducing pollution caused by sewer flooding and reducing the UK's overall greenhouse gas emissions.

The Final Determination for the current 2025-30 regulatory period (AMP8) approved £2.5 billion of investment in smart metering as part of a £104 billion overall investment in water infrastructure. This will support the rollout of c.10 million smart meters in AMP8 with all English water companies having targets to connect and gain smart meter 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. Following publication of the report, the government published its water white paper

[1] Order book value reflects current pricing and excludes any future uplift from indexation.

outlining plans to overhaul the water system in England and Wales including the establishment of a new single regulator and a National Water Strategy. One of the key recommendations from the report is for the industry to move from operator self-monitoring to open monitoring.

The regulatory environment continues to support investment in smart infrastructure and the Group remains well positioned to support this transition, leveraging its established network footprint to enable scalable, cost-effective solutions across both metering and sensor applications.

Energy sector update

Regulatory and policy developments in the energy market have continued to focus on enabling the UK's transition to a secure, resilient and low-carbon electricity system. Central to this has been progress on electricity market reform and preparations for the RIIO-3 price control period, covering electricity transmission and distribution networks and gas distribution networks from 2026 to 2031.

The Department for Energy Security and Net Zero (DESNZ) has advanced its programme of electricity market reform, including further updates to the Review of Electricity Market Arrangements (REMA). Published jointly with Ofgem in July 2025, these updates set out next steps to deliver a more resilient, low-carbon power market and to ensure sufficient investment in flexible generation and storage. REMA reforms form part of the Government's wider ambition to achieve a decarbonised electricity system by 2035 and to support energy security in the context of increasing renewable generation.

Alongside market reform, Ofgem has progressed the RIIO-3 price control framework. During the year, Ofgem published draft determinations and engaged with network companies on consultation responses and potential refinements to investment allowances. RIIO-3 is intended to unlock more than £100 billion of regulated investment across electricity and gas networks over the 2026–2031 period. A significant share of this investment is expected to be directed towards upgrading the electricity transmission network to support the Government's Clean Power 2030 objectives, including the connection of new renewable generation and reduced reliance on gas-fired power. Over £80 billion has been earmarked for electricity transmission, alongside substantial investment in distribution and gas networks. RIIO-3 places strong emphasis on the deployment of smart technologies, improved monitoring and enhanced resilience, with Ofgem reinforcing expectations around secure, interoperable communications and high-quality data to support smarter and more flexible networks. Final determinations were published in December 2025 and implementation began from 1 April 2026 and will apply through to 31 March 2031.

Expand: **Water**

In the Water segment, the Group supports smart metering through contracts with a growing number of water companies who are investing in Advanced Metering Infrastructure (AMI). The Group secured the majority of AMI market share in the previous regulatory period AMP7 (April 2020 to March 2025) and remains the market leader following further contract awards in AMP8. As of June 2026, the Group has over 3 million meters connected daily to the Group's networks, providing network connectivity for Anglian Water, Thames Water, United Utilities, Affinity Water, Portsmouth Water and Northumbrian Water.

The Group continues to strengthen its position in the UK water sector through delivery of AMP8 smart metering programmes, with deployments advancing in line with, and in certain cases ahead of, regulatory period plans. This includes continued high-volume rollouts under existing long-term contracts, as well as the mobilisation and ramp-up of newly secured programmes. The scale of these deployments (more than 3x the scale of any other smart metering provider) and consistent operational delivery underpins the Group's role as a key provider of communications infrastructure and managed services to the sector.

There is also increasing demand from water companies for enhanced data insights and network visibility as part of their AMP8 commitments. In response, the Group is launching a managed sensors offering, designed to complement existing metering infrastructure by enabling the capture and integration of data from a wider range of sources, including pressure, sewer level and water quality monitoring. Trials of these capabilities are underway, with early indications supporting their potential to deliver additional value to customers.

Evolve: Energy

The Group's smart metering communication network in the North of England and Scotland continues to deliver for over 4 million energy customers every day through the Communications Service Provider (North) contract with Smart DCC. Arqiva has invested substantially in infrastructure and platforms to support this contract, which is now in its operational phase of service. 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. Arqiva is currently engaged with Smart DCC to explore the terms of a potential contract extension.

Other services

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.

In addition, since an original five-year contract was awarded by SGN to provide connectivity solutions for 230 of their sites, Arqiva has expanded this contract to serve an additional 174 sites. We have installed the service at 89 sites to date in line with the programme timelines.

Order Book

Smart Utilities Networks represents £0.8 billion of the Group's order book[2] (2025: £0.6 billion). This reflects the evolution of our AMP8 water metering investment programmes, together with longer-term water and utility service contracts. The increase in the year was driven by strong order intake across the water segment.

Establish: Position, Navigation and Timing (PNT) services- Enhanced Long Range Access Navigation (eLoran) System

As part of the 'Establish' limb of its refreshed strategy, Arqiva continues to explore opportunities in resilient Position, Navigation and Timing (PNT) services, including terrestrial technologies such as eLoran and the re-use of existing national infrastructure to enhance UK PNT resilience. As reliance on satellite-based Global Navigation Satellite System (GNSS) services continues to increase across critical national infrastructure, the need for complementary sovereign and resilient capabilities is receiving growing attention from governments and operators of essential services. The UK Government has identified resilient PNT as an important component of national resilience and critical infrastructure policy. Arqiva believes its national infrastructure footprint, decades of experience operating resilient terrestrial broadcast networks and expertise in the delivery of mission-critical services position the Group well to support the development and operation of future UK PNT capabilities.

The Group continues to engage with Government, industry and technology partners as the market and policy landscape evolves, while evaluating opportunities to leverage its infrastructure, operational expertise and service capabilities to support the future resilience of UK critical infrastructure.

[2] Order book value reflects current pricing and excludes any future uplift from indexation.

Execute: Operations

The Operations function is responsible for the operation and maintenance of all Arqiva sites and service provision to the M&B and SUN business units to meet customer requirements. Field Engineering delivers both corrective and preventive maintenance, alongside project work across broadcast, utilities transmission, antennas, structures and satellite infrastructure.

In addition, Operations manages inventory, logistics, configuration, site management, disaster recovery and network operations. The Group's Resilience and Risk team covering Safety, Health and Environment, Business Continuity and Sustainability also sits within Operations. While this function does not generate direct revenue, it incurs costs in delivering these essential management and support services.

This function consistently underpins robust performance delivery to customers across both M&B and SUN, evidenced by high service availability, strong maintenance execution, effective incident response and resilient network operations.

Execute: 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.

Execute: Corporate

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

Execute: 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"). On 8 May 2026, funds managed and advised by IFM Investors sold their 14.84% holdings to two separate Polus entities. On 10 September 2026 Polus also acquired the 5.43% holdings of Trust Company Limited as custodian for Health Super Investments Pty Ltd in its capacity as trustee of FSS Infrastructure Trust. The equity interest in Arqiva held across the two Polus shareholder entities is 46.81%. This further consolidates the Company's investor base and demonstrates Polus's confidence in the Company's long-term fundamentals. These transactions do not affect day to day operations, governance or financing of the Group.

Board Changes

There were various changes to the Board of Directors during the year (see Governance report - Board of Directors).

Management Changes

On 5 August 2025, Alastair Cochran was announced as the new Chief Financial Officer (CFO) and he took up his position on 1 September 2025. Nathan Hodge stepped down as interim CFO following Alastair Cochran's appointment.

Events after the reporting date

On 10 September 2026 Polus acquired the 5.43% holdings of Trust Company Limited as custodian for Health Super Investments Pty Ltd in its capacity as trustee of FSS Infrastructure Trust.

Financial review

Financial Performance

Underlying financial performance was solid benefitting from strong growth in Smart Utilities Networks, resilient core Media and Broadcast revenues and operational cost management discipline. Whilst changes in product mix, the non-recurrence of corporate cost benefits recognised in the prior year and a non-cash contract provision reduced EBITDA margin, Arqiva increased operating cash flow. This fully funded its capital investment programmes and underpinned a major refinancing programme.

The Group remained fully compliant with its covenants, maintained its stable investment grade credit ratings and delivered a year-on-year reduction in net debt. Liquidity also remained healthy with cash and cash equivalents and undrawn secured facilities of £278 million as at 30 June 2026.

The Group ended the financial year with high platform utilisation and a £2.9 billion order book. Against a backdrop of regulatory change in both M&B and SUN markets, Arqiva remains well positioned with long term revenue visibility, supportive shareholders and a resilient balance sheet.

Income Statement

Period ended	30 June 2026			30 June 2025		
£ million	Underlying	Exceptional	Total	Underlying	Exceptional	Total
Revenue	693	-	693	638	-	638
EBITDA	269	(8)	261	309	(5)	304
Net impairment losses	-	(722)	(722)	-	-	-
Depreciation & Amortization	(140)	-	(140)	(138)	-	(138)
Other operating income / (expense)	4	(14)	(10)	8	-	8
Operating Profit / (Loss)	133	(744)	(611)	179	(5)	174
Net finance expense	(375)	-	(375)	(341)	-	(341)
Fair value gains	4	-	4	12	-	12
Loss before tax	(238)	(744)	(982)	(150)	(5)	(155)
Taxation	20	(54)	(34)	(6)	1	(5)
Loss after tax	(218)	(798)	(1,016)	(156)	(4)	(160)

KPI: Revenue

Group revenue for the financial year increased by 9% to £693 million driven primarily by the mobilisation of AMP8 smart water metering programmes in Smart Utilities Networks.

- Media and Broadcast revenue was broadly unchanged year-on-year at £475 million (2025: £477 million). Core TV and radio transmission revenues remained resilient, supported by long-dated inflation-linked contracts and high platform utilisation. Growth in Radio revenue, driven principally by contract renewal recognition, was offset by lower DTT revenues reflecting the impact of channel terminations and competitive pricing on renewals.

- Smart Utilities Network revenue increased by 35% year-on-year to £218 million (2025: £161 million), principally driven by the mobilisation of five new AMP8 water metering contracts secured in the second half of the prior financial year. A total of 1.1 million (2025: 0.6 million) water meters were delivered in the year, with a corresponding increase in installation and maintenance revenue. Network service revenues remained stable, supported by indexation-linked uplifts across both water and utility contracts and higher installed devices. Network change revenue continued to decline reflecting network maturity. Site sharing income from the utilisation of our broadcast sites for telecommunications equipment was broadly unchanged year-on-year.

KPI: EBITDA

Underlying EBITDA decreased to £269 million (2025: £309m), primarily driven by a provision recognised in our water contract portfolio. Underlying EBITDA would be largely unchanged year-on-year at £305 million excluding the impact of this provision and associated accrued-income write-down. Underlying EBITDA margin was also impacted by a change in revenue mix towards lower margin device installations in Smart Utilities Networks and the non-recurrence of prior year accrual releases and provision credits. Underlying cost inflation was partially mitigated through cost efficiency initiatives across the Group.

- Underlying Media and Broadcast EBITDA increased by 1% to £341 million (2025: £337 million), despite continued pricing pressure in DTT capacity sales, driven by Radio contract renewals, inflation-linked price increases and continued operational efficiencies.

- Underlying Smart Utilities Networks EBITDA decreased by 55% to £29 million (2025: £64 million), with significant revenue growth offset by a material shift in mix toward lower margin device installations and a provision recognised in our water contract portfolio to reflect management's best estimate of the unavoidable costs of meeting the contractual obligations, which now exceed the contractual benefits expected to be received. Recurring network service revenues remained stable.

- Underlying Technology costs increased by 10% to £44 million (2025: £40 million) as the Group continued its investment in cloud-based platforms, software capabilities and digital infrastructure.

- Underlying Operational costs remained broadly flat at £24 million (2025: £22 million) reflecting wage inflation, offset by higher utilisation of engineering teams and continued efficiency measures, including improved workflow automation.

- Underlying Corporate costs increased by 10% to £33 million (2025: £30 million) reflecting wage inflation, strategic investment and the non-recurrence of £6 million of prior-year one-off credits and provision releases, relating to prior period circuit costs and bonus and incentive programme accruals. This was partly offset by a £3 million gain on IFRS 16 lease contracts, compared with a £3 million loss in 2025.

Total EBITDA reduced to £261 million (2025: £304 million) primarily due to the contract provision recognised in the second half of the year. Notwithstanding this, cash EBITDA performance remained robust.

Exceptional items

In aggregate, the Group recognised pre-tax operating exceptional items of £744 million comprising:

- Non-cash net impairment losses of £722 million reflecting updated assumptions regarding future cash flows for our M&B and SUN cash generating units, consistent with current market conditions and recognised in accordance with IAS 36.
- Additional provisions of £14 million for historic contractual matters. The timing and outcome of this dispute remain uncertain.
- £8 million of reorganisation and severance costs in relation to business wide restructure to realign Arqiva's workforce with its adapting strategy, markets and demand.

Operating profit

Underlying operating profit decreased 26% year-on-year to £133 million (2025: £179 million) reflecting the impact of the onerous contract charge, higher depreciation and amortisation and a £6 million loss on disposals of property, plant and equipment (2025: £nil).

Group depreciation and amortisation increased by 1% to £140 million (2025: £138 million) reflecting continued investment in targeted strategic growth initiatives and updated assessments of the useful economic lives of certain SUN and Corporate assets.

The Group reported a total operating loss, after exceptional items, of £611 million (2025: operating profit of £174 million).

Net finance expense

Net finance expense increased by 10% to £375 million (2025: £341 million) driven primarily by the compounding effect of interest on the intercompany loan balances. Bank interest costs declined by £2 million due to lower floating-rate charges and reduced utilisation of working-capital facilities. Finance income declined by £1 million to £1 million (2025: £2 million) reflecting lower interest rates on cash and employee benefit assets.

Fair value gains decreased to £4 million (2025: gain of £12 million) reflecting fair value movements on the Group's interest rate, index-linked and cross-currency swaps. These movements were driven by changes in forward market interest rates and credit dynamics during the period. The Group exited its junior debt swaps as part of the junior debt refinancing in the period.

Loss before tax

The underlying loss before tax increased to £238 million (2025: £150 million), reflecting the decline in underlying operating profit and an increase in net finance expense.

The reported total loss before tax for the year was £982 million, an increase of £827 million compared to the prior period. This largely reflected the impact of higher exceptional items in the period and the compounding effect of intercompany loan interest.

Taxation

The Group recognised an underlying tax credit of £20 million during the year (2025: tax charge of £6 million), arising entirely from deferred tax movements. The credit principally reflects the origination and reversal of temporary differences recognised during the period.

The Group recognised an exceptional tax charge of £54 million (2025: tax credit £1 million). The charge principally relates to partial derecognition of the deferred tax asset (in respect of certain tax losses) as a result of the changes in the Group's anticipated utilisation of its deferred tax assets over a foreseeable period of time.

The reported tax charge for the year was £34 million (2025: tax charge £5 million).

At the reporting date, there were no material uncertainties in respect of the Group's tax positions. There were no open enquiries or disputes with HM Revenue & Customs (HMRC) or other tax authorities, and all required tax returns and filings had been submitted by the relevant statutory deadlines.

Loss after tax

The underlying loss after tax was £218 million in the period (2025: £156 million).

The reported total loss after tax was £1,016 million, an increase of £856 million compared to the prior period reflecting the impact of post-tax exceptional items recognised in the period totalling £798 million (2025: £4 million). Excluding exceptional non-recurring items and the compounding effect of intercompany loan interest, the underlying trading performance of the core business remains robust as Arqiva continues to invest in our infrastructure to support long-term contract delivery, product development and growth.

Financial position

Net liabilities for the Group were £2,200 million as at 30 June 2026, an increase of 81% from £1,216 million as at 30 June 2025, largely reflecting a reduction in goodwill and intercompany loan interest recognised in the period.

Cash Flow Statement

Period ended	30 June 2026			30 June 2025		
£ million	Underlying	Exceptional	Total	Underlying	Exceptional	Total
Net cash generated from operations	286	(5)	281	288	(3)	285
Investing in capital expenditure	(70)	-	(70)	(64)	-	(64)
Other investing activities	(1)	-	(1)	1	-	1
Net cash used in investing activities	(71)	-	(71)	(63)	-	(63)
Free cash flow	215	(5)	210	225	(3)	222
Interest paid	(114)	-	(114)	(124)	-	(124)
Cash outflow from financing activities excluding interest paid	(109)	-	(109)	(96)	-	(96)
Net cash used in financing activities	(223)	-	(223)	(220)	-	(220)
(Decrease) / Increase in net cash	(8)	(5)	(13)	5	(3)	2

Underlying net cash flow from operating activities was resilient, decreasing by £2 million to £286 million. Lower operating profit was largely offset by a favourable working capital movement in the period, largely reflecting a decrease in receivables and increased provisions.

This operating cash inflow fully funded an increase in capital expenditure to £70 million (FY25: £64 million) reflecting continued investment in delivery of AMP8 water programmes, maintenance of critical national infrastructure assets and development of strategic media and cloud-based growth platforms.

KPI: Free cash flow

Free cash flow, defined as 'Net cash generated from operations', less 'net cash used in investing activities', decreased by £12 million, to £210 million (FY25: £222 million), primarily a result of reduced operating profit and increased capital expenditure.

Exceptional cash outflows of £5 million resulted in the Group reporting total free cash flow of £210 million (FY25: £222 million), principally related to restructuring and severance costs associated with the Group-wide organisational redesign programme.

Financing activities

Net cash used in financing activities increased by 1% to £223 million (2025: £220 million), driven by cash settlement of interest-linked swaps and debt issue and facility arrangement costs. This was partially offset by lower net interest paid mainly due to lower interest rates on our floating rate loans and lower utilisation of the working capital facility.

The Group successfully issued a £500 million subordinated public bond in July 2025 at an interest rate of 8.625% and with a rating of B1/B by Moody's/S&P respectively. £450 million of the proceeds were used to repay existing junior debt with net proceeds of c.£23 million (after repayment of existing debt, interest and fees) available to be used for general corporate purposes.

At the same time as issuing the bond, the £150 million Senior Loan Facility was renewed for a further year and a new £45 million Junior Loan Facility was agreed to cover 12 months of interest on the subordinated bond. An existing £70 million Junior Loan Facility has been cancelled as part of the refinancing exercise.

Repayment of borrowings and leases in the year was £99 million, up from £69 million in the prior year, consistent with the structured debt repayment plan.

Net cash outflow

The Group reported a total net cash outflow of £13 million (2025: net cash inflow of £2 million).

Liquidity

The Group maintained strong liquidity throughout the year, with £278 million of cash and undrawn committed facilities at 30 June 2026 comprising:

- Cash and cash equivalents of £10 million (2025: £22 million)
- Undrawn, committed working capital facility of £73 million (2025: £80 million)
- Undrawn senior committed liquidity facility £150 million (2025: £150 million)
- Undrawn junior committed liquidity facility of £45 million (2025: £75 million)

Capital structure

The Group established a Whole Business Securitisation (WBS) structure in February 2013, following which the Group has continued to refinance elements of its debt structure, extending its maturity profile.

As at 30 June 2026 the Group's gross debt finance of £1,427 million (2025: £1,446 million) comprised:

- Working capital facility: £27 million (2025: £20 million)
- Finance lease obligations: £72 million (2025 restated: £76 million)
- Senior bonds and notes: £828 million (2025: £900 million)
- Junior secured notes: £500 million (2025: £450 million)

Included within the Group's debt financing above is £1,276 million (2025: £796 million) of fixed rate debt and £151 million (2025: £650 million) of floating rate debt. £89 million (2025: £86 million) of Senior bonds and notes represents US dollar-denominated private placements of fixed rate debt. All other debt held at 30 June 2026 is sterling denominated.

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

Gearing and interest cover

Net senior debt on a covenant basis was £868 million as at 30 June 2026 (2025: £920 million), resulting in annualised senior net debt to EBITDA of 3.22x (2025: 2.97x). Senior debt service cover ratio decreased to 1.72x (2025: 2.42x) and senior interest cover ratio decreased to 3.71x (2025: 4.13x). The Group remained in full compliance with all debt covenants during the period.

Ratings

The Group's senior debt continues to be rated BBB+/BBB by S&P/Fitch respectively, both with stable outlook. The Group's junior debt was downgraded by Moodys from B1 to B2 with a negative outlook effective 28 April 2026. S&P continues to rate the Group's junior debt as B.

Going Concern

The Group has reported a loss for the year and has a significant net liability position, arising primarily from intercompany balances and external debt. Nevertheless, the Group generated £281 million of cash from operations during the year and the Group had committed undrawn facilities of £268 million and cash and cash equivalents of £10 million at 30 June 2026.

The directors have reviewed the Group's trading forecasts, cash flow projections, borrowing facilities and covenant compliance for a period of twelve months from the date of approval of these financial statements ("the assessment period").

The directors' assessment involved the preparation of a base case financial forecast, reflecting the Board approved budget and long-term business plan, together with a severe but plausible downside scenario. The downside scenario modelled included reductions in revenue, EBITDA and cash flow caused by higher inflation, an increase in financing costs, a decline in contract extensions and new sales, delays or cost overruns on major infrastructure roll-out contracts, and non-delivery of cost savings programme or planned land sales. The directors

also performed limited reverse stress testing to identify what would be required to exhaust available liquidity or breach covenants within the assessment period.

Where the downside and reverse stress test scenarios indicated a risk of covenant breach or liquidity shortfall, the directors identified mitigating actions within their control, including a reduction in costs, deferral of discretionary capital expenditure, disposal of non-core assets and access to undrawn committed facilities. The directors have assessed the extent to which these actions are within management's control versus dependent on the actions of third parties (e.g., lender consent, shareholder approval) and have only given credit for mitigations they consider capable of being implemented within the assessment period.

As at 30 June 2026, the Group had committed undrawn facilities of £268 million and cash and cash equivalents of £10 million. The Group's principal financing arrangements are subject to financial covenants, principally senior net debt to EBITDA, cash flow interest cover and cash flow debt service cover. Under the base case and modelled mitigated severe but plausible downside scenario, the Group maintained liquidity and covenant headroom throughout the assessment period.

Having considered the matters set out above, the directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12-month period from the date of approval of these financial statements, and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to adopt the going concern basis of accounting. Accordingly, they consider it appropriate to prepare the financial statements on a going concern basis.

Non-financial and sustainability information statement

Pursuant to the provisions outlined in sections 414CA and 414CB of the Companies Act 2006, which specify the criteria for non-financial and sustainability reporting, the following table summarises our alignment with the required reporting.

Environmental matters	**Page reference**
Sustainable growth	34 - 44
Business resilience	43
Corporate social responsibility	44 - 49
Streamlined energy and carbon reporting	37 - 40
Climate-related financial disclosures	
Climate-related Financial Disclosures	33 - 44
Colleagues	
Colleague policies	44 - 49
Health and safety	45 - 46
Description of our principal risks	
Business	29 - 32
Financial management	32 - 33
Other matters	
Social matters	44 - 48
Respect for human rights	47
Anti-corruption and anti-bribery matters	47 - 48
Leadership and governance	50 - 57
Description of our business model	5
Non-financial performance indicators	25

Non-financial KPIs

Category	Topic	Metric	Outcome
Performance	**Network availability**	Broadcast Network availability	99.9952%
		Smart Utilities Network coverage in the North of England and Scotland	99.5%
Environment	**Waste**	Waste generated in operations (tonnes)	305.7
		Waste diverted from disposal (tonnes)	191.2
		Waste directed to disposal (tonnes)	114.5
	GHG / Energy	Reduction in greenhouse gas emissions tCO2e/ % (scopes 1,2 & 3 location-based)	3.10%
		% of energy from renewable sources, % reduction energy	98.6%
Human rights	**Training**	Average training hours per employee	17.2
		% completion of mandatory training (including Environmental, Business Ethics and Information Security)	100%
		% of employees who received annual performance reviews	94%
		% of employees covered by collective bargaining agreements	64.5%
		Have Your Say Engagement Score	73
	Equality, Diversity and Inclusion	% of employees from a minority group in the organisation	15.3%
		% of employees from a minority group at top management (CEO and next 3 management tiers down)	10.0%
	Gender equality	% of women employed in the organisation	25.6%
		% of women employed in the top management positions (CEO and next 3 management tiers down)	35.1%
		Average unadjusted gender pay gap	6.1%
	Health and Safety	Lost Time Injury frequency rate (LTIs per 1,000,000 hours)	0.41
		Number of days lost to work-related injuries and ill health	17
		Number of work-related accidents	37
		Number of Don't Walk By reports (incident and near miss reports)	578
Procurement	**Supplier social**	% of targeted suppliers that have signed the supplier code of conduct	98%
	Sustainable procurement	% of buyers in the organisation who have received training on sustainable procurement	100%
Ethics	**Whistleblowing**	Number of reports related to whistleblower procedure	5
	Corruption	Number of confirmed corruption incidents	0

Stakeholder Engagement and Section 172 Statement

Arqiva is required 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.

These actions are detailed throughout this Annual Report and summarised below. Further detail in the wider report evidences the Directors having had regard for these duties, as well as other factors, including considering proposals from the Executive Committee and continuing to govern the Company on behalf of our shareholders.

S172 Factor

1) Consequence of any decision in the long-term

The Board's focus is on long-term sustainability and resilience of the Company's critical national communications infrastructure. Major decisions are reserved to the Board and are supported by financial modelling and risk assessments as well as regulatory and market insights.

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; and the DCMS. 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.

The Board also oversees the capital structure of the Group as part of ensuring stability in the longer term. This includes considerations around the investor community and shareholder engagement and approvals. In July 2025, the Group successfully undertook a refinancing exercise as approved by the Board and shareholders including the issue of a £500 million subordinated public bond, with £450 million of the proceeds used to repay existing junior debt and surplus proceeds being used for general corporate purposes. Further detail of the refinancing exercise is in Financing Activities within the Financial Review at page 21.

In FY26, the Board oversaw the review of the Group's long-term business plan and the Vision 2031 strategy including considerations of market positioning and Group focus in the longer term and providing a clear framework for decision-making, investment and operational delivery across the business as noted in the CEO statement. The refreshed strategy is built around four business priorities: Evolve (with a focus on keeping trust in our mature portfolio); Expand (growing in areas we already lead); Establish (focussing on a few big plays to build future growth engines selectively) underpinned by Execute (safely driving performance focus). This updated strategy was launched with colleagues in July 2026 and with external stakeholders in September 2026.

Further examples of in year decisions and consideration are evidenced in the following:

- Business Overview and Update [pages 10 - 17]
- Principal risks and uncertainties [pages 29 - 33]
- Wates Corporate Governance Statement [pages 53 - 57]
- Directors' Report [page 58]

2) Interests of employees and Employee Engagement Statement

The Board receives regular updates on people and culture from the Chief Executive Officer and Chief People Officer, which includes updates on employee communications and the approach to providing employees with information of concern to them, including the financial and economic factors affecting the Group. The approach

includes provision of information via the internal intranet, email, internal social media (Viva Engage) and line managers as well as 'Let's Talk' interactive Q&A with the Executive Committee and Arqiva Live events. The Board also receives regular updates on engagement with the Broadcasting, Entertainment, Cinematography and Theatre Union (BECTU) and the Arqiva Employee Board on any matters which impact employees such as pay review and/or organisational change and receives feedback on engagement surveys to ensure Board decisions consider employee interests. Board members also engage in site visits providing additional opportunities to meet employees in more informal settings. Employee incentives are linked to business performance to support success.

In year, the Board approved and was kept informed on the business wide restructuring undertaken during the year (and due to complete in 2027) taking into account the reasons for the changes, which were designed to re-align Arqiva's workforce with its adapting strategy, markets and demand. The Board was also kept updated on the approach implementation of the changes in particular considering employee interests. This included overseeing process and timings as well as communications and the level of information provided to employees and considering wellbeing aspects.

Further examples of in year consideration are evidenced in the following:

- Supporting our people & Employee Engagement. [pages 44 - 47]
- Health & Safety [pages 45 - 46]
- Wellbeing and Supporting Diversity & Inclusion [pages 46 - 47]
- Whistleblowing and speak up [page 48]
- Corporate Responsibility [pages 47 - 49]
- Wates Corporate Governance Statement [pages 53 - 57]

3) Fostering relationships with suppliers, customers and others

Our relationships with our customers and suppliers are very important to us and integral to our success. The Group maintains long-term relationships with key customers and partners in strategic markets with contact points at every level from account management to Executive Committee. The Board oversees service performance and resilience, customer satisfaction and contractual delivery. The Board receives updates on Supplier engagement and there are regular discussions on supplier compliance (for example, in relation to health and safety or modern slavery). Supplier relationships are governed through reasonable contractual terms and a supplier code of conduct covering (amongst other things) anti-bribery and corruption, human rights and modern slavery and sustainability expectations.

The Group actively participates in sector initiatives and policy engagement including infrastructure planning interactions and the Board receives regular updates on engagement with regulators and industry bodies.

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. Half yearly investor calls are held, in which we review our results to date and invite questions from investors.

During the year, the Board also discussed changes to the Group's brand and marketing approach which includes new brand positioning and a renewed and more focused brand and marketing customer engagement strategy including roundtable sessions with customers, interactive webinars and targeted communications based on market intelligence.

Further examples of in year consideration are evidenced in the following

- Business Overview and Update [pages 10 - 17]

- Supporting communities [page 44]
- Wates Corporate Governance Statement [pages 53 - 57]

4) Impact of operations on the community and the environment

The Board monitors sustainability strategy, performance and initiatives through regular reporting including oversight by the Operational Resilience Committee. The Board requires sustainability (ESG) metrics to be included as an element of bonus payments made to eligible colleagues. Environmental considerations are embedded into operational and investment decisions and focus areas include: the reduction of greenhouse gas emissions, enhancement of Arqiva environments, including increasing biodiversity, and the optimisation of natural resources.

The Group joined the UN Global Compact in this financial year and further details on the Group's approach to protecting the environment and environmental controls as overseen by the Board during the year can be found at Sustainability & Climate Related Risks and Opportunities [pages 41 - 44] and Streamlined Energy and Carbon Reporting (SECR) [pages 37 - 40]. Community engagement includes planning interactions with both authorities and local communities, charitable activities in local communities and participation in industry groups including broadcast and digital forums and Waterwise. Further information on community and charity engagement can be found as Supporting Communities [page 44].

5) Maintaining a high standard of business conduct

The Board promotes a strong governance framework and ethical culture. Key areas of Board oversight and review in year include: delegations of authority; health and safety; anti-bribery and corruption; modern slavery compliance; and whistleblowing and "speak up" processes. Significant policies and controls on these topics are regularly reviewed by the Board to maintain high standards.

By way of example in year, the Board has overseen (in particular via the Operational Resilience Committee) a review of the Group Health and Safety framework with a change in approach to focus on critical risk groups (see the Social Responsibility - Health & Safety update at pages [45 - 46]) with the aim of ensuring the Group is keeping employees, suppliers and the public safe. This review included considerations of roll-out for colleagues and third parties including suppliers.

Further examples of in year consideration are evidenced in the following:

- Wates Corporate Governance Statement [pages 53 - 57]
- Health & Safety [page 45 - 46]
- Whistleblowing and speak up [page 48] and Non-financial KPIs include the number of reports related to whistleblower procedure all of which are reported to the Audit & Risk Committee [page 25]
- Modern Slavery Statement & Supplier Code of Conduct available at www.arqiva.com

6) Acting fairly between members

The Board acts in the interests of shareholders as a whole while balancing stakeholder considerations. Governance arrangements to support this include matters reserved for shareholders, ensuring that decisions affecting shareholders are subject to the necessary oversight; the option for shareholder representatives to observe Board meetings and/or shareholder representatives on the Board reporting back to shareholders to keep them informed. Any permanent Chair of the Board is independent.

Further examples of consideration are evidenced in the Wates Corporate Governance Statement [pages 53 - 57].

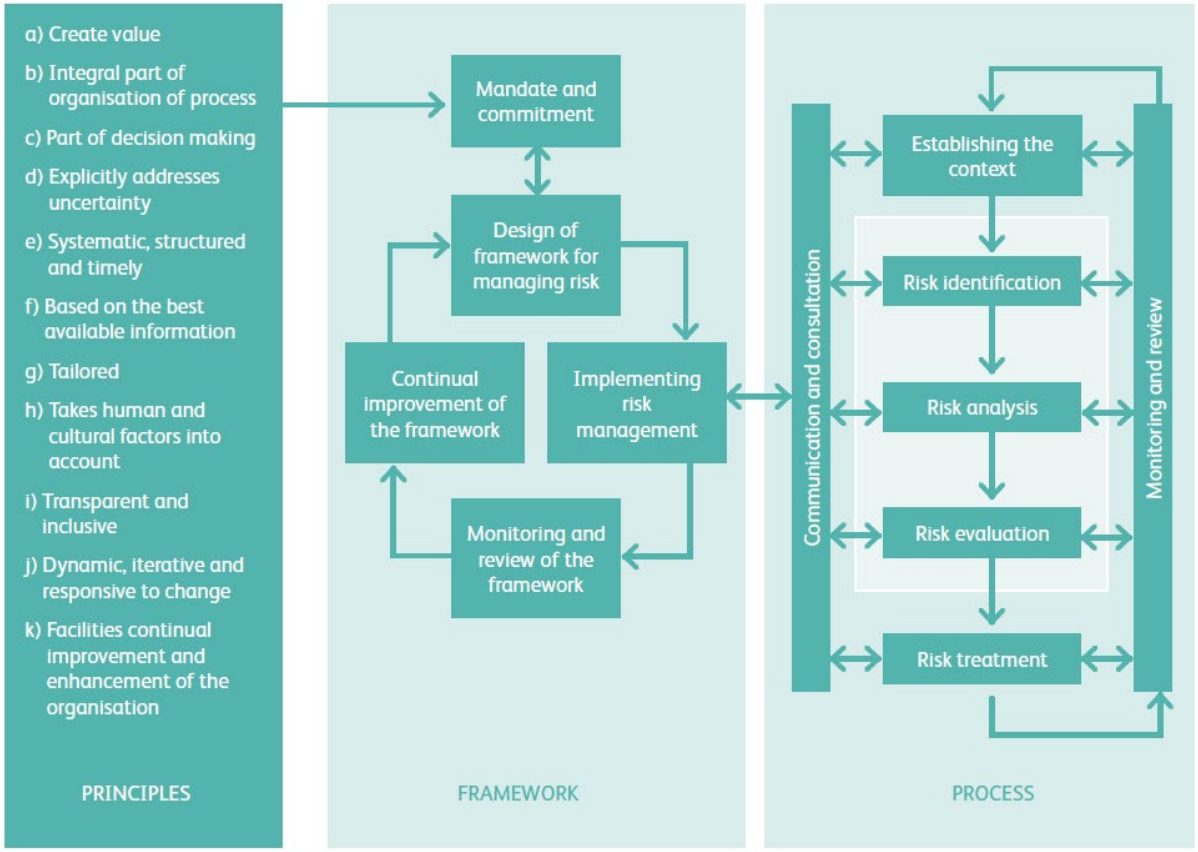
Principal Risks and Uncertainties

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. Arqiva subscribes to the Enterprise Risk Management approach to managing our risk profile and conforms to the intent of ISO 31000.

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



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



The Board has identified the following principal risks and uncertainties which could impact the Group's business model, strategy, performance, solvency or liquidity. These risks are subject to ongoing monitoring and review, supported by established risk management, control and assurance processes.

Commercial and Market Risk

The Group is exposed to the risk that changes in customer demand, market dynamics or competitive conditions reduce demand for its services, adversely affect pricing, or impact the renewal of long-term contracts. Structural changes in the broadcast and media markets, including evolving consumer behaviour, pressure on advertising revenues and the emergence of alternative distribution platforms, may affect customers' ability or willingness to invest over the long term.

The Group mitigates this risk through close and continuous engagement with customers, product and service development and active management of pricing and contract renewals. Long-term contractual arrangements provide revenue visibility and protection against short-term market volatility. The Group continues to engage with government and industry stakeholders on the long-term sustainability of broadcast services including responding to the DCMS Media Green Paper *Watch this Space: A New Strategic Direction for UK Media* advocating for the 2044 option *and* engaging with the DCMS Radio Review. The Group remains flexible in its commercial models to respond to market pressures.

Technological Change and Infrastructure Obsolescence / Degradation

There is a risk that rapid technological change, including increased adoption of IP based delivery platforms, reduces demand for the Group's existing services or accelerates the need for investment. In addition, elements of the Group's infrastructure are long-lived and may become obsolete or suffer performance degradation if not appropriately maintained or renewed.

This risk is managed through ongoing investment in infrastructure resilience, structured asset lifecycle management and active monitoring of technological trends. Capital investment decisions are prioritised based on risk, criticality and long-term value. The Group continues to engage with regulators, customers and industry bodies regarding future technology pathways to ensure its platforms remain reliable, relevant and competitive.

Political and Regulatory Risk

The Group operates in a regulated environment and is subject to the risk of changes in government policy, regulation, spectrum allocation or licensing regimes that could impact existing services, long-term investment decisions or future growth opportunities.

The Group actively engages with government departments, regulators and industry bodies to anticipate and influence regulatory developments. Long-term licences and established regulatory frameworks underpin the

Group's core services, providing visibility and relative stability. Regulatory risks are monitored on an ongoing basis to ensure potential impacts on the business are identified and managed at an early stage. The Group engages with government and regulatory bodies on consultations which impact the business including without limitation with the Office of the Adjudicator Broadcast Transmission Services on its workplan and with government and industry stakeholders on the long-term sustainability of broadcast services including participating in the DCMS radio review and advocating for the DCMS' 2044 option in the Media Green Paper *Watch this Space: A New Strategic Direction for UK Media.*

Operational Resilience and Service Continuity

The Group relies on nationally significant infrastructure and is exposed to the risk of service disruption arising from asset failure, cyber security incidents, information security threats, extreme weather events, physical infrastructure failure or other operational incidents. Significant outages or cyber incidents could result in financial loss, regulatory scrutiny, contractual impacts, customer disruption and reputational damage. The cyber threat landscape continues to evolve rapidly, with increasingly sophisticated threat actors, growing supply chain dependencies and the emergence of AI-enabled attack techniques increasing both the likelihood and potential impact of cyber events.

As a critical national infrastructure operator, the Group continually assesses and adapts its cyber security and resilience capabilities in response to emerging threats. Operational resilience is supported through preventative maintenance programmes, asset inspections, system monitoring, incident management, business continuity planning, disaster recovery arrangements and ongoing investment in network reliability. Cyber and information security risks are managed through a layered cyber resilience approach comprising recognised security frameworks, continuous monitoring, threat intelligence, employee awareness, incident response capabilities, regular exercising and testing, and ongoing investment in people, processes and technology. These measures help the Group anticipate, withstand, respond to and recover from operational and cyber incidents while maintaining the availability and integrity of critical services.

People and Culture

The Group considers the risk regarding alignment of skills to support the future requirements of the business to be reduced due to investment in digital learning and a detailed skills management programme including the implementation of new skills and knowledge databases alongside organisational change to support having the right people in the right place at the right time. The organisational changes during the year did heighten other risks such as inadvertent or deliberate use of confidential information. Mitigations in place included information management and monitoring and the review of policies and processes.

Health, Safety and Wellbeing Risk

The Group operates extensive critical infrastructure and undertakes activities that present inherent health and safety risks, including working at height, electrical work, driving, site access and contractor management. Failure to manage these risks effectively could impact the wellbeing of employees, contractors, third parties and members of the public, as well as result in regulatory, financial and reputational consequences.

The Group maintains a comprehensive health and safety management system supported by policies, training, critical risk programmes, assurance activities, legal compliance monitoring and regular reporting to Executive and Board committees. For more information of the Group's Health and Safety activities, refer to pages 45 - 46.

Business Sustainability and Cost Management

There is a risk that failure to deliver planned efficiencies, manage costs effectively or adapt business and commercial models in response to changing market conditions could impact long-term sustainability and financial performance.

The Group mitigates this risk through active cost management, regular financial performance monitoring and disciplined capital allocation aligned with strategic priorities and risk appetite. Progress against efficiency and sustainability objectives is reviewed regularly at executive and Board level.

Climate and Environmental Risk

Climate related risks, including physical risks to infrastructure and transition risks arising from regulatory, policy and market change, could impact operational resilience and future costs.

Climate and environmental risks are assessed and managed through the Group's sustainability and resilience frameworks and are considered as part of long-term planning. Further detail is provided in the Environmental Sustainability section of this report.

Financial Risk Management

The Board monitors the Group's exposure to financial risks as part of its overall risk management framework. These risks are reviewed regularly and are managed in accordance with approved policies designed to protect liquidity, financial resilience and long-term value.

Inflation and Cost Inflation Risk

Sustained high inflation could adversely affect operating and financing cash flows, increase the Group's cost base and impact the financial health of customers and suppliers. Energy costs represent a significant component of operating expenditure and are subject to volatility and inflationary pressure.

The Group mitigates inflation risk through a combination of contractual protections, operational measures and financial hedging. A significant proportion of core television and radio revenues are linked to RPI, providing a natural hedge against inflation. Inflation linked derivative instruments are used to align interest costs with inflationary movements. Power cost exposure is managed through long-term power contracts, incremental forward purchasing under an approved hedging strategy, partial customer pass-through arrangements and demand-reduction initiatives embedded within the Group's sustainability strategy.

Financing and Refinancing Risk

The Group requires access to financing to service and refinance maturing debt. There is a risk that financing may not be available when required or on terms comparable to historical arrangements, particularly in the event of adverse market conditions or a deterioration in credit metrics. This risk is mitigated by maintaining a stable, investment-grade capital structure with diversified medium and long-term debt maturities, limiting refinancing concentration in any single period. This is evidenced by our BBB+/BBB (S&P/Fitch) ratings of the Group's senior debt, and B / B2 (S&P/Moodys) ratings of the Group's Junior debt, which reflects our ability to service and repay debt from our cash flows over a reasonable period of time. The Group aims to refinance well ahead of maturity dates and maintains ongoing dialogue with credit rating agencies. Financial covenant compliance is closely monitored through retrospective and forward-looking modelling to provide early visibility of potential risks.

Liquidity Risk

There is a risk that the Group may not have sufficient liquid resources to meet working capital requirements, planned investment or funding obligations, including commitments to the defined benefit pension scheme.

Liquidity risk is managed through the maintenance of cash reserves and access to committed, undrawn facilities. The Board reviews liquidity and funding adequacy as part of the long-term financial planning process, ensuring sufficient headroom under a range of scenarios. As at 30 June 2026, the Group had liquidity of £278 million comprising £10 million cash available and £73 million (£27 million drawdown of £100 million facility) and £195 million undrawn working capital and liquidity facilities respectively available to cover senior debt and/or interest payment if required.

Interest Rate Risk

The Group is exposed to interest rate movements arising from variable-rate borrowings, which could result in increased finance costs and volatility in cash flows.

Interest rate risk is managed through the use of derivative instruments, including interest rate and inflation-linked swaps, in line with an established hedging policy. These instruments provide greater certainty over future interest cash flows and support covenant compliance. While hedge accounting is not applied, the economic intent of the hedging programme is to reduce exposure to adverse interest rate movements over the life of the debt.

Credit and Counterparty Risk

The Group is exposed to credit risk arising from customer receivables, liquid funds and derivative counterparties, including the risk of non-payment or counterparty default.

This risk is mitigated through robust credit checking procedures, both at contract initiation and throughout contract life, with higher-risk customers required to pay in advance. Aged receivables are actively monitored and managed. Credit exposure on cash deposits and financial instruments is controlled through counterparty limits, diversification and ongoing monitoring of credit ratings assigned by international rating agencies.

Purchase Price and Project Cost Risk

Volatility in input prices, particularly energy, and fluctuations in wider market pricing could impact project costs and margins.

This risk is mitigated through forward purchasing strategies, inclusion of anticipated cost increases within long-term planning, milestone-based project controls and active monitoring of third-party savings initiatives. Financial performance against cost and revenue assumptions on major projects is reviewed regularly by senior management and the Board.

In line with this policy, Arqiva has hedged 90% of the anticipated energy usage for the year to 30 June 2027. The remaining 10% balance continues to provide some flexibility versus demand to avoid any requirement for sell-back. Analysis shows Arqiva's hedging strategy continues to outperform the 'non-domestic energy price' DESNZ benchmark.

Corporate Responsibility

Sustainability

Sustainability is an integral part of our 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. 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 joined the UN Global Compact in this financial year to demonstrate this commitment. 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 an internal code of conduct and all colleagues receive annual mandatory training on a range of sustainability topics including Environmental Awareness, Fraud Prevention, Cyber Security, and Health and Safety. This mandatory training was completed by 100% of colleagues in FY26. 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 bronze medal, putting Arqiva in the top 35% of participants. We also scored 98 in the GRESB benchmarking survey, maintained a MSCI Score of AA and scored an A- rating for Climate and a B- for water for our FY25 Carbon Disclosure Project (CDP) submission.

Environmental Sustainability

We recognise the potential impact of our organisation on the environment and are committed to complying with environmental legislation. Arqiva holds ISO 14001 certification for its environmental management system and reviews its performance regularly to look for opportunities for improvement. Arqiva has 3 environmental sustainability goals that both support and are supported by our core business strategic objectives, mitigating our impact on the environment.

- **Goal 1:** *To reach net zero greenhouse gas emissions across our value chain by 2040*
- **Goal 2:** *To positively enhance the environments we operate in*
- **Goal 3:** *To optimise the use of natural resources*

Progress Against our Environmental Sustainability Goals

Goal 1: To reach net zero greenhouse gas emissions across our value chain by 2040

To meet the requirements of the Science Based Targets initiative (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 1.5°C 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. Our overall net-zero target commits to reaching net- zero greenhouse gas (GHG) emissions across the value chain by 2040. Our near-term target commits us to reduce absolute scope 1 and 2 GHG emissions by 90% by 2031 from a 2023 base year and to reduce absolute scope 3 GHG emissions by 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 FY31 through 2040 from a FY23 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 7.4 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. Full details of our energy and greenhouse gas emissions can be found in the Streamlined Energy and Carbon Report on pages 37-40.

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 hybrid vehicles from 40 to 56 out of a fleet of 319 vehicles which includes 38 electric vehicles.
- While fleet mileage increased by 226,410 miles the % of mileage travelled in electric vehicles and hybrid vehicles rose from 16% of total mileage to 23% of total mileage. Overall, our fleet emissions were broadly unchanged from the previous year.
- Continuing to phase out the use of FM 200 gas 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 work in collaboration with broadcast customers to develop our energy and carbon reduction plans, 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 and continued to generate electricity from solar panels at our sites saving the equivalent of 21 tCO2e emissions

Scope 3 Emissions

Our Streamlined Energy and Carbon Reporting (SECR) report contains the total scope 3 emissions from all material categories. Scope 3 emissions have been calculated using a combination of activity data, spend-based

data, and supplier-specific data. During the reporting period we have increased the percentage of supplier-specific data used to calculate emissions and we continue to work with our supply chain to develop our scope 3 carbon reduction plans, achieving an A in our latest CDP Supplier Engagement Assessment.

Streamlined Energy and Carbon Reporting (SECR)

The following information has been prepared in accordance with Arqiva's Streamlined Energy and Carbon Reporting (SECR) obligations and covers the FY26 reporting period, from 01 July 2025 to 30 June 2026.

- 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 can be found on pages 34 and 36 of this report.
- Methodologies used in the calculation of disclosures

Arqiva's 2026 Greenhouse Gas (GHG) Accounting Methodology details the approach to calculating GHG emissions and can be found here: http://www.arqiva.com/carbonreportmethodology2026

Independent verification of Arqiva's GHG inventory has been completed in accordance with ISO 14064-3. LRQA's assurance statement can be found here: www.arqiva.com/emissionsreport2026

Energy consumption (GWh)

Indicator	FY24	FY25	FY26
Fuel consumption	**8.2**	**6.4**	**6.5**
Automotive fuels[1]	**5.1**	**4.7**	**4.7**
Gas[2]	**1.5**	**0.9**	**1.0**
Oil[3]	**1.6**	**0.8**	**0.8**
Purchased electricity	**189.0**	**182.7**	**175.3**
Renewable electricity	**50.7**	**180.5**	**173.3**
Non-renewable electricity[4]	**138.3**	**2.2**	**2.0**
Self-generated electricity (solar)[5]	**0.2**	**0.2**	**0.2**
Business travel[6]	**1.1**	**0.7**	**0.6**

Total energy consumption	**198.5**	**190.0**	**182.6**

1 Includes diesel and unleaded petrol used in vehicles, plant, and equipment 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 Energy associated with business travel relates to fuel and electricity used in personal/hire cars on business use (including energy for which the organisation reimburses its employees following claims for business mileage)

Energy Intensity (GWh/£ million revenue)

Indicator	FY24	FY25	FY26
Energy intensity (total consumption)	0.29	0.28	0.25

Greenhouse Gas (GHG) Emissions (tCO2e) Figures

Indicator	FY24	FY25	FY26
Direct GHG emissions (Scope 1)	**3,819**	**1,642**	**1,718**
Automotive fuels[1]	**1,300**	**1,213**	**1,205**
Gas[2]	**281**	**172**	**193**
Oil	**313**	**164**	**177**
Fugitive emissions[3]	**1,925**	**93**	**143**
Indirect GHG emissions (Scope 2), location-based[4]	**39,070**	**32,264**	**22,902**
Indirect GHG emissions (Scope 2), market-based	**45,150**	**310**	**209**
Total scope 1 & 2 GHG emissions (location-based)	**42,889**	**33,906**	**24,620**
Total scope 1 & 2 GHG emissions (market-based)	**48,969**	**1,952**	**1,927**
Indirect GHG emissions (Scope 3)	**102,594**	**89,074**	**94,545**
Purchased goods and services[5]	**33,021**	**31,560**	**38,988**
Capital goods[6]	**19,872**	**17,616**	**31,626**

Fuel and energy-related activities	**13,671**	**12,860**	**9,730**
Upstream transportation and distribution[7]	**-**	**-**	**189**
Waste generated in operations	**19**	**1,627**	**1,219**
Business travel[8]	**510**	**674**	**672**
Employee commuting[9]	**1,212**	**1,214**	**1,091**
Upstream leased assets[10]	**682**	**1,369**	**324**
Use of sold products	**28,549**	**19,163**	**7,752**
End-of-life treatment of sold products	**5,058**	**2,991**	**2,954**
Total scope 1,2 & 3 GHG emissions (location-based)	**145,483**	**122,980**	**119,165**
Total scope 1,2 & 3 GHG emissions (market-based)	**151,563**	**91,026**	**96,472**
Outside of scopes	**87**	**44**	**24**
Direct biogenic emissions11	**87**	**44**	**24**

1 GHG emissions from automotive fuels were broadly consistent year-on-year despite increased fleet mileage, reflecting the growing proportion of battery electric and plug-in hybrid vehicles within the company fleet.

2 Gas consumption increased year-on-year, primarily due to higher demand for heating across company facilities.

3 Fugitive emissions relate to the operation of heating, ventilation and air conditioning (HVAC) systems. No incidents involving the release of fire suppressant gases with global warming potential (GWP) occurred during the reporting period.

4 Location-based Scope 2 GHG emissions decreased during the reporting period due to both lower purchased electricity consumption and a reduction in the UK Government emissions factor for grid electricity.

5 GHG emissions associated with purchased goods and services increased during the reporting period, reflecting higher levels of procurement activity within this category.

6 The year-on-year increase in GHG emissions from capital goods was primarily driven by the procurement of equipment delivered as part of water metering projects.

7 In this reporting period, GHG emissions associated with upstream transportation and distribution have been reported separately. In previous years, these emissions were included within purchased goods and services.

8 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

9 Employee commuting includes emissions from homeworking

10 The reduction in GHG emissions associated with upstream leased assets reflects the transfer of a number of sites to Arqiva's operational control. Electricity consumption at these sites was previously reported within upstream leased assets but is now purchased directly by Arqiva and is therefore reported as Scope 2 emissions. A lower UK Government grid electricity emission factor also contributed to the reduction.

11 This category includes direct biogenic emissions from the consumption in plant of biodiesel HVO and automotive fuels containing a biofuel blend.

Scope 1: Direct greenhouse gas (GHG) emissions from sources owned or controlled by Arqiva
Scope 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/£ million revenue)

Indicator	FY24	FY25	FY26
GHG intensity, Scope 1 & 2 (location-based)	63.1	50.2	**33.7**
GHG intensity, Scope 1 & 2 (market-based)	72.0	2.9	**2.6**
GHG intensity, Scope 1,2 & 3 (location-based)	214.0	182.1	**163.2**
GHG intensity, Scope 1,2 & 3 (market-based)	222.9	134.8	**132.2**

Goal 2: To positively enhance the environments we operate in

Many of our sites are located in rural and ecologically sensitive areas across the UK, and we recognise our responsibility to minimise our impact on nature while enhancing the environments in which we operate. During FY26, we strengthened our approach to biodiversity by developing a more structured understanding of our nature-related dependencies, impacts and risks, identifying approximately 410 sites within protected or sensitive designations. We have implemented enhanced environmental controls at these locations and continue to work closely with planning authorities to balance the protection of habitats and species with the delivery of critical national infrastructure.

Moving beyond compliance, we are identifying opportunities to improve biodiversity across our estate. In partnership with the RSPB and the Masts and Towers Safety Group, we have developed standardised industry best practice to protect nesting birds and have introduced access restrictions at 76 sites with active nests during the breeding season.

We have implemented practical initiatives such as expanding “no-mow” areas at 5 of our sites to encourage wildflower growth and support pollinators, alongside engaging colleagues through volunteering activities including nature surveys, litter picking and conservation projects.

Goal 3: To optimise the use of natural resources

This goal focuses on reducing waste generated by Arqiva’s operations by embedding circular economy principles across the value chain. Our approach considers full asset lifecycles, including maintenance, refurbishment, reuse, and end-of-life management, to minimise waste and reduce reliance on natural resources.

Arqiva operates a dedicated repair centre that restores and reuses technical components, supporting asset life extension and reducing environmental impact. Of 3,935 items sent to our repair centre 3,897 were repaired and returned as stock items.

The total reported waste increased to 306 tonnes during the reporting year, primarily due to the decommissioning of sites and equipment and improved data collection. Of this waste 61% was recycled, an improvement from 43% of waste recycled last year. For FY27 we are targeting a 65% recycling rate.

An increase in fly-tipped waste incidents was recorded this year; this is excluded from reported waste totals. All incidents are managed and remediated promptly in line with environmental standards.

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

To improve transparency of the Group’s climate-related risks and opportunities, Arqiva has produced this disclosure for its year ended 30 June 2026 in accordance with the requirements of Companies Act section 414. Within this disclosure Arqiva has considered both physical environmental risks and those associated with the transition to a greener economy alongside opportunities due to climate change that are relevant to its operations, assessing the potential impact on the business in the short, medium and long term.

Part A - Governance of Climate-Related Risks

The Board:

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

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

Management Roles and Responsibilities:

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

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

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

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

Identifying Risks:

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

Assessing Risks:

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

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

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

The output of our climate change risk assessment is shown in table below on page 43.

Managing Risks:

Our Operational Risk Committee oversees management of a range of risk and compliance issues including climate change, and our Sustainability Leadership Group monitor the operational impact of climate change risks. Our most significant environmental risks are managed within our certified ISO 14001 environmental management system.

Our Enterprise Risk Management (ERM) process is used to record the impact of climate change risks and any associated mitigating actions, ensuring all risks are considered as part of business operations and decision making. Read more about Arqiva's risk management approach on pages 29 - 33.

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

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

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

KEY:	Time Horizon for Onset of Risk/ Opporunity
S	0-3 years
M	3-5 years
L	5-15 years

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

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

Relative Impact Scenarios - based on the Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change (IPCC)	
CP	Current Policies (SSP5-8.5 where the predicited temperatures continue to rise with no policy changes)
DT	Delayed Transition (SSP2-4.5 where predicted temperatures peak around 2060 then fall)
NZ	Net Zero (SSP 1-2.6 where emissions halve by 2050 minimising temperature increases to 1.8C)

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

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

Metric	Risk / Opportunity	FY26 Target	FY26 Performance
Scope 1&2 Location Based Emissions (tCO2e) reduction	**Opportunity**	**3,145**	**9,286**
Electricity Energy Consumption % reduction	**Opportunity**	**1.2%**	**3.9%**

Social Responsibility

Supporting Communities

We support our colleagues in contributing to local and national causes that are important to them through a range of initiatives. This includes matched funding for charitable fundraising and payroll giving schemes such as MicroHive and Give as You Earn, as a result we were awarded a silver payroll giving quality mark a government backed accreditation recognising organisations that support employee giving. These programmes enable colleagues to donate easily and maximise the impact of their contributions, including support for a company-nominated charity each year, our chosen charity this year was Macmillan Cancer Support. We also encourage colleagues to volunteer their time and skills through a structured volunteering programme by offering one day of paid volunteering leave per year with 132 volunteering days completed in the year. Participation in activities such as organised fundraising events demonstrates our commitment to supporting communities and reflects the collective efforts of our colleagues to make a positive impact.

Supporting Our People

Arqiva recognises the significant contribution of our employees and makes every effort to create a rewarding and engaging work environment. Our three cultural goals drive how we serve our customers and create a great place to work:

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

The average number of persons employed by the Group during the year was 1,307 (2025: 1,318) in a wide range of roles and locations primarily across the UK. We experience high retention rates with our average employee turnover for the last 12 months sitting at 7%, below the 12% UK average for the TMT industry.

Our Work Life Smarter initiative recognises the benefit of hybrid working so our employees feel supported and empowered to work in a way that enables them to thrive in their roles, give their best every day and by providing choice about how, when and where they work.

Arqiva pays above the Living Wage and operates a number of cash-based incentive bonus schemes enabling 100% of colleagues to benefit from our success as we grow the business. The schemes depend on the business

achieving financial targets approved by our Governance and Remuneration Committee, bonus payments for the 2026 financial year are expected to be paid in October 2026. Our annual bonus scheme includes an ESG performance related target of 10%. Our Share the Success scheme is for employees who are not eligible for the annual bonus scheme or commission plan and some senior managers participate in a long-term incentive plan, typically three years in duration, recognising the value of longer-term strategic initiatives.

Our skills management program helps colleagues identify development opportunities by empowering curiosity, growth and performance through learning. We are 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. During FY26, 38 colleagues successfully completed their Level 3 or Level 5 Chartered Management Institute (CMI) qualification while a further 41 colleagues were actively studying towards a CMI qualification across Levels 3, 5, 6 and 7.

Employee Engagement

Significant emphasis is placed on employee communication. The Group intranet, 'The Hub', makes information available to employees on all matters including performance, growth, and issues affecting the industry. We introduced our Arqiva Live kick off format in July 2025 engaging over 600 employees face to face, launching the annual plan and priorities and creating opportunities for discussion. We have increased participation on Viva Engage, an Enterprise Social Network to further enhance colleague interaction and engagement. 45% of colleagues actively participate, and in FY26 it was recognised in the leading industry benchmarking report by SWOOP Analytics, as the top performing network in EMEA for the second year in a row, and third highest performing worldwide. The Executive Committee also host quarterly all company virtual Q&As where employees can ask any questions that are on their mind.

We conduct regular employee engagement surveys. 80% of colleagues responded to our latest survey in November 2025 and our overall colleague engagement score was 73, an increase of one point since the previous survey in June 2025.

We aim to build constructive relationships with employees and trade representatives through the elected Arqiva Employee Board (AEB) and representatives of Bectu (the Broadcasting, Entertainment, Cinematography and Theatre Union) with the objective of providing a clear and direct link to the executive committee, the Trade Union Recognition Agreement was refreshed and agreed between Bectu and Arqiva this year. These groups discuss topics including pay negotiations and formal collective consultations, providing a voice to management to promote consultation and share information back to colleagues. Arqiva operates a collective bargaining agreement allowing colleagues to opt in or out of trade union collective representation.

Health and Safety

Health and safety is vital, 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. Our health and safety management system is certified to ISO 45001 and covers 100% of our sites and operations. 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 through 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.

Over the past year, we launched our new targeted approach to management of critical risks through focused subject matter expert groups which bring stakeholders from across the business together to drive proactive reporting and practical improvements to reduce risk and prevent serious harm, topics include:

- Fire
- Electricity
- Working at Height
- Falling Objects
- Driving and
- Moving Vehicles

Wellbeing

Our wellbeing mission is to help 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. We encourage colleagues to tell us how they are feeling so that we can adapt and amend our wellbeing offer accordingly.

We have five pillars of wellbeing:

- **Physical Wellbeing:** We provide initiatives such as onsite health checks, activity challenges, free flu vaccinations, at home test kits and education webinars
- **Professional Wellbeing:** We provide opportunities to learn and grow, this year we launched our Career Framework to provide transparency around business job roles, the job family, key accountabilities, critical skills and bonus level
- **Social Wellbeing**: Through collaborative team working, our volunteering approach and range of employee networks, we encourage our colleagues to invest in relationships inside and outside the business
- **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. We have worked hard to destigmatise mental health, through regular company-wide communication and our Mental Health First Aiders with 1 MHFA for every 20 colleagues.

Supporting Diversity and Inclusion

We aim to create an inclusive environment where there are no barriers to success with policies in place to provide equal opportunities for all employees irrespective of race, nationality, gender, sexual orientation, marital status, religious or political beliefs, disability or age.

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. We have established colleague networks including:

- Inspiring Women's Network
- Pride Network
- Veterans Network
- Neurodiversity Network
- The Black Network
- Working Families Network

At a Board level, the Governance and Remuneration Committee are responsible for reviewing the Group's diversity and inclusion policies. We also regularly report to the Board on our diversity and inclusion progress and track our impact in this area across a range of different metrics.

As of June 2026, 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 ensures we are well placed for any changes in legislative reporting requirements.

Gender Pay Gap

Arqiva has made progress in reducing the median gender pay gap in the last reporting period and maintained a single digit gap in the mean gender pay gap. The full annual Gender Pay Gap Report is available on the company website at Arqiva Gender Pay Gap Report. 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 improvements in the year and the actions we are taking moving forwards.

Human Rights and Modern Slavery Act

The Group is fully committed to promoting and maintaining high ethical standards in how we operate and we do not tolerate human rights abuses or modern slavery in our operations or in our supply chains. Our policies, which include our internal Code of Conduct and Supplier Code of Conduct (published at Arqiva.com), are aimed at ensuring that we do not participate in the violation of human rights and make it clear that we expect the same of our suppliers. Our Modern Slavery Statement outlines our policies and approach aimed at identifying, addressing and preventing 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 and the principles within the statement pertain to and are upheld by the Group in its entirety. The Modern Slavery Statement is reviewed by the Board on an annual basis and can be found at: Modern Slavery Statement.

Supply Chain transparency

Arqiva is dedicated to ensuring transparency across its supply chain and monitors its suppliers and partners to promote responsible sourcing and maintain high ethical standards. As part of the supplier onboarding process the Procurement team carry out appropriate detailed risk analysis, including utilising third party systems such as Dow Jones to flag any high-risk suppliers. The Group has limited supply chain activity in high-risk jurisdictions, and our Procurement team have recently reviewed and revised our supplier due diligence and onboarding processes to further strengthen supplier compliance in these areas. Low risk suppliers once onboarded are monitored and reassessed upon any new risk information being made available and those suppliers designated as high risk undergo stringent additional compliance checks and monitoring through referral to additional Arqiva teams such as Information Security or Health and Safety for further compliance checks. Our policies including the Supplier Code of Conduct not only detail the standards expected of our suppliers, but place obligations on them to notify Arqiva of any material changes to its supply chain and its compliance with Arqiva policies. Arqiva is committed to continuous improvement of its supply chain monitoring and over the next financial year will further enhance due diligence across its supply chain particularly any high-risk suppliers.

Corporate Governance

Anti-Financial Crime, Bribery and Anti-Corruption

We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter fraud, bribery and corruption. During FY25, the Group carried out a risk assessment around fraud prevention and training on fraud prevention was included in mandatory training for all colleagues in FY26. Our Code of Conduct for employees is updated and approved by the Board on an annual basis. The Code of Conduct outlines the requirements for all colleagues (both temporary and permanent) to comply with relevant legislation on preventing financial crime (including bribery, fraud, money laundering and tax evasion). The Code of Conduct incorporates all the Group's anti-corruption policies and procedures including its Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery

and Anti-Corruption Policy also set out how we manage political payments and contributions, facilitation payments, charitable contributions, third party compliance and giving or receiving gifts and hospitality.

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

All colleagues receive mandatory training on the Code of Conduct, including specific training on Working Environment, Promoting Inclusivity, Anti-Bribery and Anti-Corruption, Competition law, Conflicts of interest, fraud prevention, 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, our suppliers, third parties or members of the public to raise concerns about suspected wrongdoing or unlawful or unethical conduct. The 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. All whistleblowing calls are reported to the Audit and Risk Committee for clear governance and accountability.

Information Security

Our sites and systems play a critical role for the Group, our customers and UK Critical National Infrastructure. We maintain a strong and proactive approach to information security, underpinned by robust governance, independent certification and continued investment in emerging technology.

The cyber threat landscape is evolving at an unprecedented pace, driven by increasingly capable AI systems, including emerging agentic AI that can autonomously identify vulnerabilities and operate at a scale previously unavailable to adversaries. Looking further ahead, advances in quantum computing present a horizon risk to the cryptographic technologies that underpin today's digital trust. Our strategy is therefore focused on protecting against current threats while building resilience against this next generation of cyber risk.

We are certified to ISO/IEC 27001:2022, the internationally recognised standard for information security management systems, and have maintained this certification continuously since 2013, most recently recertified in May 2026. This provides a robust framework of governance, policies and controls across legal, physical and technical domains, independently validated through regular internal audits.

Recognising that artificial intelligence is both a source of risk and a critical enabler of defence, we are actively adopting AI driven capabilities to strengthen threat detection, security monitoring, vulnerability management and incident response. By combining strong governance with emerging technology, we aim to keep our cyber defences effective against both current threats and the challenges posed by future advances in AI and quantum computing.

Taxation

The Group's approach to tax is to ensure compliance with all legal and statutory obligations. The Group is committed to maintaining a transparent and constructive working relationship with HM Revenue & Customs and with local tax authorities in the jurisdictions in which we operate.

The total contribution to UK tax receipts including business rates, income tax, PAYE and NI paid by both the Group and employees, totalled £61.4 million for the financial year (2025: £59.0 million).

The Group is a primarily UK based infrastructure group. There are some trading entities based outside of the UK, however these generate less than 1% of operating profit and there are no tax planning activities taken which seek to reduce the Group's UK profits or revenues by transferring revenue or profit out of the UK.

The Group's small overseas trading entities deal directly with customers in their area of residence and fulfil their tax requirements in the local jurisdictions.

This report was approved by the Board on 27 October 2026 and signed on its behalf by:



Paul O'Donnell
Director

27 October 2026

Governance report

Board of Directors

Ownership

The Company is owned by a consortium of shareholders, shown in order of shareholding, these are: Digital 9 Infrastructure plc (via D9 Wireless OpCo 2 Limited) (48.02%), Mendip Limited (c.46.30%), Motor Trade Association of Australia Superannuation Fund Pty Ltd (c. 5.17%), Polus Special Situations Fund SCSp (0.51%). There is no ultimate controlling party of the Company, as defined by IAS 24 'Related Parties'.

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

- D9 Wireless OpCo 2 Limited (c.48%), a company owned by Digital 9 Infrastructure plc ("D9"). D9 is an investment trust focussed on the infrastructure of the internet. The number 9 in D9 comes from the UN Sustainable Development Goal 9, expressing the fund's focus on investments that increase connectivity globally and improve the sustainability of digital infrastructure. D9 is listed on the London Stock Exchange (DGI9).
- Mendip Limited (c.46%), a company owned by funds managed by the UK-headquartered investment firm Polus Capital Management (Polus). Polus has extensive experience investing in essential European and UK infrastructure, including utilities, telecoms, infrastructure, power and energy, supported by a multi-decade track record of investment in critical assets. Polus has offices in London and New York.

Arqiva Board of Directors

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

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

Board Committee Membership
A - Audit and Risk Committee
G - Governance and Remuneration Committee
O - Operational Resilience Committee
C - Capital Structure Committee

Simon Duffy, Independent Chair Following the resignation of Patrick Tillieux on 30 June 2026, Scott Longhurst was appointed Interim Chair and the Board and Shareholders initiated a formal process to recruit a new independent Chair. Simon Duffy was appointed Chair on 1 October 2026. Simon is an experienced business leader who has held executive and non-executive roles across public and private companies in the UK and internationally. Simon has extensive board-level experience spanning the media, telecommunications, technology and entertainment sectors, having served with organisations including Oger Telecom, Wizz Air and Millicom. His executive track record includes senior leadership positions including Chief Executive Officer of NTL and Chief Financial Officer of Orange. He currently serves as Non-Executive Chair of Modern Times Group AB, Viaplay Group AB and LW Theatres Limited, and as a Non-Executive Director of LW Entertainment Holdings Limited.

Appointed by D9 Wireless OpCo 2 Limited

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, A G O C

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 Master's degree in Chemistry from the University of Oxford.

Jonathan Carter, Director

Jonathan initially joined the Board as an alternate to Mike Osborne & James O'Halloran in February 2025 before becoming a Director on 2 October 2026. 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 Leeson Telecom. 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 Mendip Limited

Matthew Postgate, Director, O C

Matthew joined the Board in November 2022 and is the chair of the Operational Resilience Committee. 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, Infometa, Verian Public and M2A Media (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.

Paul O'Donnell, Director, A G C

Paul joined the Board in March 2026. Paul chairs the Audit and Risk Committee and Capital Structure Committee. Paul has significant board experience from companies including Nordic Aviation Capital, McLaren, The Very Group

and Wood. He has more than 25 years of corporate finance experience advising public and private companies as well as financial investors, and was previously a Managing Director at Blackstone Advisory Partners. A Fellow of Chartered Accountants Ireland, Paul holds a Bachelor of Commerce from University of Galway and a Master of Accounting from University College Dublin.

Sarah Munby, Director, A G O C

Sarah joined the Board in May 2026 and was appointed chair of the Governance and Remuneration Committee in October 2026. Sarah's career has spanned senior roles in both the private and public sectors. Most recently, she was the Permanent Secretary of the Department for Science, Innovation and Technology (DSIT), where she oversaw the UK's approach to technological, scientific and digital change, including the national approach to AI. Before this she was Permanent Secretary of the Department for Business, Energy and Industrial Strategy (BEIS), leading much of government's support to business during the COVID-19 pandemic, as well as the UK's response to climate change and the energy crisis.

Before joining the civil service, Sarah was a Partner at McKinsey, where she led the firm's Strategy and Corporate Finance practice in the UK and Ireland, working on issues of strategic change and transformation with some of the UK's most significant businesses.

Alongside her role at Arqiva, Sarah sits on the Board of the University of Manchester and is the Independent Reviewer of decisions of the Advertising Standards Authority (ASA) Council.

Nicola Phillips, Company Secretary

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

Board Members who stepped down in FY26

Patrick Tillieux (Chair)	stepped down from the Board on 30 June 2026
Paul Donovan	stepped down from the Board on 31 August 2025
Susana Leith-Smith	stepped down from the Board on 10 March 2026
Philip Hogan	stepped down from the Board on 10 March 2026
David Stirton	stepped down from the Board on 8 May 2026
Drummond Clark *(alternate to David Stirton)*	stepped down from the Board on 8 May 2026
Scott Longhurst	stepped down from the Board on 2 October 2026

Governance

The Directors of Arqiva Broadcast Parent Limited, registered company number 08085823, (the "Company") and its subsidiaries (the "Group") submit the annual report and audited consolidated financial statements ("the financial statements") in respect of the year ended 30 June 2026.

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

Wates Corporate Governance Statement

For the year ended 30 June 2026, Arqiva has applied the Wates Corporate Governance Principles for Large Private Companies as its corporate governance framework. The Board considers the Wates Principles to be appropriate given the Company's size, ownership structure and regulated environment, and has applied them in a manner that supports long-term sustainable success.

This statement explains how the Principles have been applied in practice during the year, including key areas of focus and outcomes.

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 continued to oversee the Group's purpose of enabling resilient, secure and sustainable communications infrastructure, supporting broadcasters, utility providers and wider digital connectivity. In this year, the Board oversaw the FY26 priorities used internally to help the Group focus on those areas which drive purpose and strategy. During the year, the Board also reviewed and approved updates to the Group's strategy and long-term business plan, ensuring alignment with market developments, regulatory expectations and customer needs. The updated strategy was launched internally with colleagues in July 2026 and externally in September 2026. For more detail, see the stakeholder engagement and section 172 statement (pages 26 - 28).

The Board has also overseen business wide restructuring with a focus on delivering efficiency and automation building on the organisation's foundation for sustainable growth and future readiness. The Board actively reviewed the organisational changes (including implementing new skills and knowledge databases) and monitored culture and values throughout the year through Board reporting on employee engagement, safety, and organisational performance, with a focus on maintaining high standards of integrity and operational resilience. Further details are at the stakeholder engagement and section 172 statement (pages 26 - 28), Supporting our People and Supporting Diversity & Inclusion (pages 44 - 47).

Under the Board oversight, sustainability is built into Group activities and the Group has joined the United Nations Global Compact as a demonstration of our commitment to responsible corporate citizenship – for more detail see Corporate Responsibility – Sustainability (page 34).

The Board considers that purpose, strategy and culture remained closely aligned and consistently reinforced through decision-making during the year.

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

Chair

The Group's corporate governance structure creates a clear separation between the role of the Chair and that of the Chief Executive Officer. The independent Chair provides leadership to the Board. They are responsible for setting the agenda, chairing the Board meetings and for ensuring that the Board has sufficient time to discuss all items on the agenda. The Chair is also responsible for ensuring that the Directors receive all the necessary information and reports.

The Chief Executive Officer is responsible for leadership of the Group's management and its employees on a day-to-day basis. He (along with the Executive Committee) is responsible for the implementation of Board decisions.

Patrick Tillieux was appointed as Chair in April 2025 and was Chair throughout the year prior to his resignation due to personal circumstances on 30 June 2026. Following the resignation of Patrick Tillieux on 30 June 2026, the Board and Shareholders initiated a formal process to recruit a new independent Chair. That process resulted in the appointment of Simon Duffy on 1 October 2026. To ensure continuity of leadership and effective governance during the interim period, Scott Longhurst was appointed Interim Chair. Scott stepped down from the Board due to personal circumstances on 2 October 2026. The Board is satisfied that these arrangements support its continued effectiveness and the orderly discharge of its responsibilities.

Size of Board and Balance of skills and knowledge

The size and structure of the Board remains under periodic review so that it is best organised to meet the needs and challenges of the Group. In terms of Board size, a balance has been struck between ensuring shareholders are adequately represented via their nominated Directors but also identifying directors with relevant industry experience.

The Board brings a wide range of experience to assist in effective decision-making for the Group, which operates in a number of diverse and complex markets. Following shareholder changes in year, there were changes to the Board. This included the appointment of two new Board directors taking into account skills and diversity feedback from prior Board effectiveness reviews. Paul O'Donnell was appointed to the Board in March 2026 and brings significant corporate finance experience. He has been appointed chair of the Capital Structure Committee and the Audit and Risk Committee. Sarah Munby was appointed to the Board in May 2026 with considerable experience in both private and public sectors which supports the Group's strategic aims and development. Sarah has been appointed Chair of the Governance and Remuneration Committee.

The capacity of all directors to make a valuable contribution is part of the director appointment process and is considered by the Chair as directors take on other roles. See the Board of Directors section of the Governance report (pages 50 to 52) for full details of the composition of the Board of Directors.

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.*

The Board and individual Directors have a clear understanding of their accountability and responsibilities. A formal schedule of matters reserved to the Board in line with the Shareholders' Agreement is maintained, with delegated authority to management through clearly defined policies and governance structures.

The Board operates through a programme of regular meetings and occasional ad hoc meetings for specific projects, supported by Board sub-Committees, to oversee key areas including audit and risk, operational resilience, capital structure review and remuneration and governance. Independent decision-making is embedded in the governance structures with any conflicts of interest being declared in respect of any meeting or resolution and being actively monitored. In year, this has led to various recusals on certain transactions.

Directors receive timely and comprehensive management information, enabling informed decision-making and effective challenge. In year, Directors have fed back proposed improvements to information flow from management to the Board and these changes have been effected. Training and ongoing development support is available to Directors in maintaining the knowledge required to discharge their duties effectively.

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. Each of those committees operates under terms of reference which are reviewed by the Board on a regular basis and members of those committees are those with appropriate knowledge, expertise and industry experience (the Board of Directors section at pages 50 - 52 sets out which Directors sit on which committees). An overview and description of each committee follows below:

Audit and Risk Committee

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

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

The external auditors, PricewaterhouseCoopers LLP, were appointed for the year. During the year, the Committee completed a competitive tender process for the external audit and concluded that PricewaterhouseCoopers LLP should continue as the Company's external auditors. They have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Committee.

Governance and Remuneration Committee

The Governance and Remuneration Committee 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 are assessed for possible conflicts of interest and independence. The Committee also considers the succession planning for senior management, taking account of challenges and opportunities and skills and expertise required by the Group.

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

The Committee meets at least three times a year.

Operational Resilience Committee

The Operational Resilience Committee has oversight of the adequacy and effectiveness of the operational resilience strategies and procedures of the Group and reviewing management performance, considering major findings of internal and external investigations and making recommendations to the Board in respect of this. The Committee also has oversight of operational resilience with regard to safety, health and environmental matters, cyber security, physical security, business continuity, diversity and inclusion to the extent they may impact business operations and sustainability. The Group has implemented a Sustainability Committee consisting of

members of the Executive Committee and senior leaders across the business to ensure that the Group 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 provides strategic guidance and oversight on the capital structure and financing strategy for the Group as well as overseeing the implementation of the strategy and execution of any associated transactions. The Capital Structure Committee meets at least six times a year.

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

Short-term opportunities are identified and addressed as part of monthly business performance and forecast review processes undertaken by the Executive Committee with reporting provided to the Board. The corporate governance structure and delegation of authority policies and procedures require Board approval for significant opportunities and contracts and presentations to the Board allow for constructive challenge and approval before proceeding. In 2026, the Board has reviewed and approved material Media and Broadcast customer renewals and has overseen and approved a new long-term business plan and strategic review including considerations of how the Group creates and preserves value for the long-term.

The Board also receives regular updates on significant regulatory matters, which may result in opportunity and/or risk such as the DCMS Future of TV Distribution Forum and subsequent Media Green Paper *Watch this Space: A New Strategic Direction for UK Media* as well as the DCMS Radio Review.

Risk

The Board (via the Audit and Risk Committee) has approved and oversees the management of the Group's Enterprise Risk Management and key operational risks and mitigations (described on [page 29 - 33] of the Annual report) approach to managing its risk. This approach incorporates an internal control framework clearly defining the roles and responsibilities of those involved. Responsibilities include the following:

- The Group's Executive Committee takes recommendations for ensuring the risk management framework remains effective going forward,
- Processes are in place for managing the principal risks and uncertainties,
    - The internal control framework (described in the Principal Risks and Uncertainties section of this report) confirms that there is a monitoring and review process in place to evaluate risks at both business function and Board level.
    - The corporate risk register is reviewed on a regular basis by the Executive Committee and the Audit & Risk Committee reviews top level risks and risk appetite.

Over 2026, the Audit & Risk Committee have reviewed various changes in risk scoring and management of those risks including liquidity risk, market and customer risks and cyber risk and insider risk (in the wake of high profile breaches and the increased threat of AI).

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.*

The Board (via the Governance & Remuneration Committee) oversees remuneration in accordance with documented terms of reference. The Committee takes external input from specialist advisors on, for example, market trends and benchmarking on remuneration matters.

The Group's short 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 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.

The Group has published its full gender pay gap report for the reporting period April 2024 – March 2025 which is available on the company website at www.arqiva.com. This latest report shows the emphasis and commitment to diversity and inclusion. The mean gender pay gap has been maintained and there is an improvement to the median pay gaps for the reporting period. The report provides details on the pay gap and the key improvement initiatives.

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.*

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

The Group recognises the impact its decisions can have on its internal and external stakeholders and the importance of engagement with stakeholders to achieving its long-term strategy. Further information on the group's stakeholders and engagement methods can be found at Stakeholder Engagement and Section 172 Statement (pages 26 to 28). The Group's Corporate Responsibility statement (pages 34 - 49) sets out a description of the Group's focus areas used to ensure that it acts responsibly, ethically and safely, from a Corporate; Community; Employee; and Business perspective taking into account sustainability goals.

Directors' Report

The directors present their report and audited consolidated financial statements for the year ended 30 June 2026.

Principal activities

The principal activities of the Company are to provide UK communications infrastructure and smart network solutions. A review of the progress of the Group's business during the year, the key performance indicators, internal controls, principal business risks and likely future developments are contained in the Strategic and Governance Reports.

Results and dividends

The Directors of the Group have not recommended a dividend in the year (2025: £nil).

The consolidated loss for the year of £1,016 million (2025: loss of £160 million) was transferred to reserves.

Now Digital (East Midlands) Limited, a Group company which includes a non-controlling interest, declared and settled a dividend in the year of £0.4 million (2025: £0.4 million), of this £0.1 million is attributed to the non-controlling party.

Company's Board of Directors

The directors and company secretary who served during the year are disclosed in the Governance report on pages 50 - 57.

Statement of engagement with employees

The directors have promoted the information in this statement to the Stakeholder Engagement and Section 172 statement on pages 26 – 28 in the Strategic report.

Equal Opportunities policy

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person, should, as far as possible, be identical to that of a person who does not have a disability. Further information on how Arqiva supports its employees can be found on pages 44 - 47.

Statement on engagement with stakeholders

The directors have promoted the information in this statement to the Stakeholder Engagement and Section 172 statement within the Strategic report on pages 26 - 28.

Statement of Corporate Governance Arrangements

The Directors have detailed how they have applied the Wates Principles in practice during the year, including key areas of focus and outcomes. Refer to the Wates Corporate Governance Statement on pages 53 – 57 of the Governance report.

Political Donations

No political donations were made during the year (2025: none).

Directors Indemnities

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

Statement of Directors' responsibilities in respect of the financial statements

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

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

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

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

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

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

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

Directors' confirmations

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

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

On behalf of the Board



Paul O'Donnell
Director
27 October 2026

Independent auditors' report to the members of Arqiva Broadcast Parent Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Arqiva Broadcast Parent Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2026 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Consolidated statement of financial position as at 30 June 2026;
- the Company statement of financial position as at 30 June 2026;
- the Consolidated statement of profit or loss for the year then ended;
- the Consolidated statement of other comprehensive income for the year then ended;
- the Consolidated statement of changes in equity for the year then ended;
- the Company statement of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Our audit approach

Overview

Audit scope

- For the Consolidated Financial Statements we performed an audit of the complete financial information of five entities (including the parent company) and the consolidation. We also conducted audit procedures on specific line items for one entity within the Group to ensure sufficient coverage. The audit work performed achieved coverage of 96% of revenue and 96% of adjusted EBITDA (EBITDA excluding exceptional operating expenses). All entities have been audited by the Group audit team and hence no component auditor has been involved in the audit of the Consolidated financial statements.

Key audit matters

- Carrying value of goodwill, other intangible assets and property, plant and equipment (group)
- Derecognition and recoverability of deferred tax assets (group)
- Onerous contract provision (group)
- Recoverability of intercompany receivable balances (parent)

Materiality

- Overall group materiality: £12,300,000 (2025: £10,800,000) based on 4% of adjusted EBITDA (2025: 3.5% of adjusted EBITDA).
- Overall company materiality: £48,500,000 (2025: £48,090,000) based on 2% of total assets.
- Performance materiality: £9,225,000 (2025: £8,100,000) (group) and £36,375,000 (2025: £36,067,500) (company).

The scope of our audit

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

Key audit matters

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

context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Onerous contract provision (group) and recoverability of intercompany receivable balances (parent) are new key audit matters this year. Impairment of investments (parent), which was a key audit matter last year, is no longer included because of the carrying value of investments in subsidiaries being £nil. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of goodwill, other intangible assets and property, plant and equipment (group) IAS 36 'Impairment of assets' requires an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired and where any such indication exists, the entity shall estimate the recoverable amount of the asset. In determining the recoverable amount management apply a number of assumptions which are subject to judgements and estimation and therefore this is considered a key audit matter. Refer to note 6 - critical accounting estimates and judgements – impairment of goodwill, other intangible assets and property, plant and equipment (PPE) and note 19 – goodwill in the consolidated financial statements.	We obtained an understanding of the allocation of goodwill and other assets to cash generating units in management's impairment model and assessed its appropriateness.Management have assessed both the fair value less costs to sell and the value in use in order to determine an appropriate recoverable amount, in this case being value in use. We tested management's value in use model, assessing its mathematical accuracy, the accuracy of inputs to the model and challenging the reasonableness of the assumptions applied by management in assessing the recoverable amount for each cash generating unit. These included the assumptions for revenue and cost growth, EBITDA margin, capital expenditure, discount rate and terminal growth rate used. We tested the cash flows and agreed these to the Board approved long term plan, and also performed a look back test to assess accuracy of historical forecasting. We involved our PwC valuations experts to assist the audit team in evaluating the discount rate and the terminal growth rate used to calculate the present value of the cash flows and confirmed these were calculated using an acceptable methodology and concluded that the discount rate and terminal growth rate is materially in line with what we would expect. We assessed management's sensitivity analysis and reviewed the reasonableness of management's disclosures in accordance with the requirements of IAS 36. Due to a revised expectation of future performance for certain markets and business units management's conclusion of this assessment resulted in an impairment charge being recognised of £720.6m (£647.6m allocated to goodwill for 'Media & Broadcast' and £73.0m allocated to PPE and intangible assets for 'Smart Utilities Networks'). Based on the testing performed, we concur with the position taken and that the carrying value of the assets have been impaired to their recoverable amount.
Derecognition and recoverability of deferred tax assets (group) At the reporting date, the total carrying amount of recognised deferred tax assets ('DTAs') is £183.3m (2025: £216.8m). The decrease is primarily due to the Group derecognising £56.3m (2025: £nil) of previously recognised DTAs during the period following the revised expectation of future performance of the business. The Group also has a further £382.7m (2025: £294.9m) of potential DTAs not recognised on the basis that they are	We obtained management's calculation and assessment of deferred tax assets, including support for judgements taken on measurement and recognition. We utilised tax specialists to assist the audit team to review and challenge management's assessment, in particular in relation to the accessibility of tax losses. We obtained management's forecast of taxable profits and agreed their consistency to the Board approved long term plan and forecasts utilised in management's IAS 36 impairment assessment. The calculations of the forecast taxable profits

not considered to be recoverable. There is judgement involved in the measurement of deferred tax assets as well as in their recognition, which is only appropriate if the asset is accessible (based on applicable tax legislation and the Group's capital structure) and if there are sufficient probable forecast taxable profits. Refer to note 6 - critical accounting estimates and judgements – recoverability of deferred tax assets and note 16 – tax expense in the consolidated financial statements.	were reviewed, and an analysis of the sensitivity of the utilisation horizon to variations in results was considered. We further assessed the potential deferred tax assets not recognised and concluded that only assets that are expected to be available to the Group have been recognised. Judgement relating to the unrecognised assets will remain under review and reassessed as the Group's circumstances and relevant tax legislation evolves. We have assessed management's assumptions regarding the change in forecasting and the subsequent derecognition of deferred tax assets, and have concluded the assessment is reasonable. We have reviewed the disclosure over the critical accounting judgement in respect of deferred tax assets and we concur with the disclosures made. We reviewed correspondence with relevant tax authorities and with the Group's tax advisors, assessing management's judgements in relation to the measurement of tax benefits. As a result of our work performed no material errors were noted in respect of the amount of deferred tax assets recognised in the consolidated financial statements at 30 June 2026.
Onerous contract provision (group) The Group identified an onerous contract in the year where the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received under the contract, resulting in a provision of £31.3m recognised in the year. The provision represents management's best estimate of the unavoidable costs required to fulfil the remaining contractual obligations at the reporting date. Refer to note 6 - critical accounting estimates and judgements - provisions and note 28 - provisions in the consolidated financial statements.	We have obtained the relevant contract and evaluated management's assessment of the total provision recognised, including testing the significant assumptions and data inputs as well as the methodology applied in determining the present value of the expected future cash outflows. We have corroborated the data used in calculating the provision against third party support with overrun costs driving the provision recognition. Based on the testing performed, we concur with the position taken and have concluded that the provision is not materially misstated based on the information available at the time of estimation.
Recoverability of intercompany receivable balances (parent) The Company has balances receivable from intercompany counterparties amounting to £2,427.2m (2025: £2,208.1m) as at 30 June 2026. This is considered a key audit matter as there is judgement in the assessment of the recoverability of the receivable balances. Refer to note 22 - trade and other receivables in the consolidated financial statements.	We evaluated management's assessment of the recoverability of intercompany receivables, including compliance with the requirements of IFRS 9 and expected credit loss methodology, and reviewed and independently tested an assessment of the ability of other Group companies to repay by comparing the receivable to net assets of the counterparties. As the net asset values did not support the recoverability of the intercompany receivables, we considered the assets held and confirmed that by taking into account the liquidity of assets held that the intercompany receivables are considered to be recoverable. Our work performed identified no material adjustments to the recoverability of intercompany receivable balances.

How we tailored the audit scope

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

Arqiva Broadcast Parent Limited’s business is carried out through a single principal trading subsidiary, aligned into two customer-facing business units; Media Distribution and Smart Utilities Networks, supported by the Group’s

Operations, Technology and Transformation and Corporate functions. In addition, there are a number of entities which provide financing to the operations.

The impact of climate risk on our audit

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

Materiality

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

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

	Financial statements - group	Financial statements - company
Overall materiality	£12,300,000 (2025: £10,800,000).	£48,500,000 (2025: £48,090,000).
How we determined it	4% of adjusted EBITDA (2025: 3.5% of adjusted EBITDA)	2% of total assets
Rationale for benchmark applied	Based on our professional judgement, adjusted EBITDA is an appropriate adjusted measure to assess the performance of the Group, which focuses on the underlying trading results.	Based on our professional judgement, total assets is an appropriate measure to assess the performance of the Company and is a generally accepted auditing benchmark. A rule of thumb of approximately 2% is appropriate given that the entity itself is not a Public Interest Entity ('PIE').

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £5,000,000 and £11,666,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2025: 75%%) of overall materiality, amounting to £9,225,000 (2025: £8,100,000) for the group financial statements and £36,375,000 (2025: £36,067,500) for the company financial statements.

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

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £614,000 (group audit) (2025: £540,000) and £614,000 (company audit) (2025: £540,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's long-term forecast. We held discussions with management to understand the budgeting process and the key assumptions made over management's going concern assessment period;
- Assessing whether the stress testing performed by management appropriately considered the principal risks facing the business, and was adequate;
- Using our own knowledge from the audit and assessment of previous forecasting accuracy we have assessed management's sensitivity applied to cash flow forecasts. These procedures confirmed liquidity and covenant headroom in management's forecasts when performing severe but plausible downside sensitivity;
- Evaluating the feasibility of management's mitigating actions in response to the severe stress testing scenario; and
- Assessing the adequacy of disclosures in the Going Concern statement and in Note 2.3 of the Financial Statements and found these appropriately reflect our understanding of the process undertaken and the conclusion reached.

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control

as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tthe 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 (EBITDA excluding exceptional operating expenses). We have determined adjusted EBITDA is the key metric for stakeholders, such as the Group's ultimate shareholders and lenders. It is considered that the most likely risk of management manipulation of this metric is through the posting of manual journals and management bias in significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Enquiring 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andy Grimbly (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
27 October 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 £m	*2025 £m*
Revenue	7	**693.0**	*638.2*
Cost of sales		**(309.2)**	*(224.4)*
Gross profit		**383.8**	*413.8*
Other operating income	8	**2.7**	*7.8*
Administrative expenses		**(254.3)**	*(243.3)*
Exceptional operating expenses	13	**(743.2)**	*(4.6)*
(Loss)/profit from operations		**(611.0)**	*173.7*
Finance income	14	**1.4**	*2.0*
Finance expense	14	**(376.7)**	*(342.6)*
Fair value gains	15	**3.8**	*12.0*
Loss before tax		**(982.5)**	*(154.9)*
Tax expense	16	**(33.6)**	*(5.3)*
Loss for the year		**(1,016.1)**	*(160.2)*
(Loss)/profit for the year attributable to:			
Owners of the parent		**(1,016.4)**	*(160.5)*
Non-controlling interests	31	**0.3**	*0.3*
		(1,016.1)	*(160.2)*

The notes on pages 79 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

		2026 £m	*2025 £m*
Loss for the year		**(1,016.1)**	*(160.2)*
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension schemes	32	**-**	*(0.2)*
Tax relating to items that will not be reclassified	16	**-**	*0.1*
		-	*(0.1)*
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		**0.1**	-
		0.1	-
Other comprehensive income/(expense) for the year, net of tax		**0.1**	*(0.1)*
Total comprehensive expense		**(1,016.0)**	*(160.3)*
Total comprehensive (expense)/income attributable to:			
Owners of the parent		**(1,016.3)**	*(160.6)*
Non-controlling interests	31	**0.3**	*0.3*
		(1,016.0)	*(160.3)*

The notes on pages 79 to 160 form part of these financial statements.

ARQIVA BROADCAST PARENT LIMITED
REGISTERED NUMBER: 08085823

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 £m	*As restated 2025 £m*
Non-current assets			
Property, plant and equipment	17	**1,060.4**	*1,167.3*
Other intangible assets	18	**37.6**	*68.2*
Goodwill	19	**691.9**	*1,340.2*
Investments in associates and joint ventures	20	**0.1**	*0.1*
Financial assets at fair value through profit or loss	21	**0.8**	*0.2*
Derivative financial assets	33	**9.1**	*13.4*
Employee benefit assets	32	**6.2**	*6.9*
Deferred tax assets	16	**183.3**	*216.8*
		1,989.4	*2,813.1*
Current assets			
Contract assets	23	**10.7**	*8.9*
Trade and other receivables	22	**110.8**	*123.6*
Cash and cash equivalents	38	**9.8**	*22.4*
		131.3	*154.9*
Total assets		**2,120.7**	*2,968.0*
Non-current liabilities			
Contract liabilities	25	**227.8**	*266.4*
Loans and borrowings	26	**1,366.9**	*1,364.7*
Derivative financial liabilities	33	**8.4**	*122.8*
Provisions	28	**150.8**	*101.3*
		1,753.9	*1,855.2*
Current liabilities			
Trade and other liabilities	24	**2,276.1**	*2,099.7*
Contract liabilities	25	**121.1**	*100.1*
Loans and borrowings	26	**107.1**	*124.9*
Derivative financial liabilities	33	**51.4**	*-*
Provisions	28	**11.3**	*3.8*
		2,567.0	*2,328.5*
Total liabilities		**4,320.9**	*4,183.7*
Net liabilities		**(2,200.2)**	*(1,215.7)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2026

	Note	2026 £m	*As restated 2025 £m*
Issued capital and reserves attributable to owners of the parent			
Share capital	29	**0.1**	*0.1*
Capital redemption reserve	30	**355.0**	*323.4*
Merger reserve	30	**(188.5)**	*(188.5)*
Translation reserve	30	**(0.5)**	*(0.6)*
Accumulated losses	30	**(2,368.6)**	*(1,352.2)*
Equity attributable to owners of the parent		**(2,202.5)**	*(1,217.8)*
Non-controlling interest	31	**2.3**	*2.1*
Total equity		**(2,200.2)**	*(1,215.7)*

The financial statements on pages 69 to 160 were approved and authorised for issue by the board of directors on 27 October 2026 and were signed on its behalf by:



Paul O'Donnell
Director

The notes on pages 79 to 160 form part of these financial statements.

ARQIVA BROADCAST PARENT LIMITED
REGISTERED NUMBER: 08085823

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 £m	*As restated 2025 £m*
Assets			
Non-current assets			
Investments	41	**-**	*-*
Trade and other receivables	22	**2,427.2**	*2,208.1*
		2,427.2	*2,208.1*
Total assets		**2,427.2**	*2,208.1*
Liabilities			
Non-current liabilities			
Loans and borrowings	26	**45.2**	*45.2*
		45.2	*45.2*
Current liabilities			
Trade and other liabilities	24	**2,382.0**	*2,162.9*
		2,382.0	*2,162.9*
Total liabilities		**2,427.2**	*2,208.1*
Net assets		**-**	*-*
Issued capital and reserves attributable to owners of the parent			
Share capital	29	**0.1**	*0.1*
Capital redemption reserve	30	**3,301.6**	*3,301.6*
Accumulated losses	30	**(3,301.7)**	*(3,301.7)*
Total equity		**-**	*-*

The Company's result for the year was £nil (2025: £nil).

The financial statements on pages 69 to 160 were approved and authorised for issue by the board of directors on 27 October 2026 and were signed on its behalf by:



Paul O'Donnell
Director

The notes on pages 79 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Share capital	Capital redemption reserve	Merger reserve	Translation reserve	Accumulated losses	Total attributable to holders of parent	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 July 2024	0.1	291.5	(188.5)	(0.6)	(1,191.6)	(1,089.1)	1.9	(1,087.2)
(Loss)/profit for the year	-	-	-	-	(160.5)	(160.5)	0.3	(160.2)
Other comprehensive expense	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Total comprehensive (expense)/income for the year	-	-	-	-	(160.6)	(160.6)	0.3	(160.3)
Dividends	-	-	-	-	-	-	(0.1)	(0.1)
Capital contribution	-	31.9	-	-	-	31.9	-	31.9
Total contributions by and distributions to owners	-	31.9	-	-	-	31.9	(0.1)	31.8
At 30 June 2025	**0.1**	**323.4**	**(188.5)**	**(0.6)**	**(1,352.2)**	**(1,217.8)**	**2.1**	**(1,215.7)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2026

	Share capital	Capital redemption reserve	Merger reserve	Translation reserve	Accumulated losses	Total attributable to holders of parent	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 July 2025	0.1	323.4	(188.5)	(0.6)	(1,352.2)	(1,217.8)	2.1	(1,215.7)
(Loss)/profit for the year	-	-	-	-	(1,016.4)	(1,016.4)	0.3	(1,016.1)
Other comprehensive income	-	-	-	0.1	-	0.1	-	0.1
Total comprehensive (expense)/income for the year	-	-	-	0.1	(1,016.4)	(1,016.3)	0.3	(1,016.0)
Dividends	-	-	-	-	-	-	(0.1)	(0.1)
Capital contribution	-	31.6	-	-	-	31.6	-	31.6
Total contributions by and distributions to owners	-	31.6	-	-	-	31.6	(0.1)	31.5
At 30 June 2026	**0.1**	**355.0**	**(188.5)**	**(0.5)**	**(2,368.6)**	**(2,202.5)**	**2.3**	**(2,200.2)**

The notes on pages 79 to 160 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Share capital	Capital redemption reserve	Accumulated losses (restated)	Total equity (restated)
	£m	£m	£m	£m
At 1 July 2024 (as previously stated)	0.1	3,301.6	(2,189.1)	1,112.6
Prior year adjustment - correction of error	-	-	(1,112.6)	(1,112.6)
At 1 July 2024 (as restated)	0.1	3,301.6	(3,301.7)	-
Result for the year	-	-	-	-
Total comprehensive result for the year	-	-	-	-
At 1 July 2025 (as restated)	0.1	3,301.6	(3,301.7)	-
Result for the year	-	-	-	-
Total comprehensive result for the year	-	-	-	-
At 30 June 2026	**0.1**	**3,301.6**	**(3,301.7)**	**-**

The notes on pages 79 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 £m	*2025 £m*
Cash flows from operating activities			
Loss for the year		**(1,016.1)**	*(160.2)*
Adjustments for			
Depreciation of property, plant and equipment	17	**117.9**	*124.8*
Impairment of property, plant and equipment	17	**52.6**	*-*
Amortisation of other intangible assets	18	**21.9**	*13.5*
Impairment of other intangible assets	18	**20.4**	*-*
Impairment of goodwill	19	**648.3**	*-*
Finance income	14	**(1.4)**	*(2.0)*
Finance expense	14	**376.7**	*342.6*
Loss on lease modifications		**0.4**	*2.4*
Loss on sale of property, plant and equipment	8	**5.9**	*0.2*
Fair value adjustment to derivative financial instruments	15	**(3.8)**	*(12.0)*
Other operating income	8	**(7.8)**	*(7.8)*
Insurance claims receivable	8	**(0.8)**	*-*
Dispute provision		**14.3**	*-*
Income tax expense	16	**33.6**	*5.3*
		262.1	*306.8*
Movements in working capital:			
Decrease in trade and other receivables		**13.6**	*3.8*
Decrease in trade and other liabilities		**(27.7)**	*(27.5)*
Increase in provisions and employee benefits		**32.7**	*2.2*
Cash generated from operations		**280.7**	*285.3*
Net cash from operating activities		**280.7**	*285.3*
Cash flows from investing activities			
Purchases of property, plant and equipment		**(69.5)**	*(64.2)*
Proceeds from disposal of property, plant and equipment		**0.5**	*-*
Payments to acquire financial assets	21	**(2.5)**	*(0.2)*
Interest received		**1.0**	*1.5*
Net cash used in investing activities		**(70.5)**	*(62.9)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2026

		2026 £m	*2025 £m*
Cash flows from financing activities			
Proceeds from external borrowings		**557.0**	*103.0*
Repayment of external borrowings		**(575.0)**	*(131.1)*
Interest paid on external borrowings		**(114.3)**	*(123.6)*
Repayment of lease liabilities		**(18.8)**	*(21.4)*
Interest paid on lease liabilities		**(5.3)**	*(4.0)*
Cash settlement of principal accretion on inflation-linked swaps		**(52.8)**	*(43.3)*
Debt issue costs and facility arrangement fees		**(10.2)**	*(0.3)*
Settlement on close out of inflation-linked swaps		**(3.3)**	*-*
Dividends paid to non-controlling interests	31	**(0.1)**	*(0.1)*
Net cash used in financing activities		**(222.8)**	*(220.8)*
Net (decrease)/increase in cash and cash equivalents		**(12.6)**	*1.6*
Cash and cash equivalents at the beginning of year		**22.4**	*20.8*
Cash and cash equivalents at the end of the year	38	**9.8**	*22.4*

The notes on pages 79 to 160 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1. Reporting entity

Arqiva Broadcast Parent Limited (the 'Company') is a private limited company, which is limited by shares, incorporated in the United Kingdom. The Company's registered office is at Crawley Court, Winchester, Hampshire, SO21 2QA. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in the activities detailed in the Strategic Report.

2. Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards (‘IFRSs’) and the applicable legal requirements of the Companies Act 2006. The Company's individual financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

Details of the Group's accounting policies, including changes during the year, are included in note 5. The policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

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

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 6.

2.1 Basis of measurement

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

Items	Measurement basis
Insurance captive arrangements	Fair value through profit or loss
Derivative financial instruments	Fair value through profit or loss
Employee benefit assets	Fair value through other comprehensive income

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 July 2025

Amendments to IAS 21 - Lack of exchangeability

These amendments adopted by the Group did not have any material impact on the amounts recognised in prior years and is not expected to have a material impact on current or future periods.

2. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective

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

Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments

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

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

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

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

Amendments to IFRS 9 and IFRS 7 - Power purchase arrangements

These amendments are effective for the Group annual reporting year beginning 1 July 2026.

On 18 December 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7. These amendments introduce:

a) new application guidance that clarifies when contracts within the scope of those amendments can be accounted for as ‘own use’ contracts, with supplementary disclosure requirements; and
b) an alternative designation of hedge relationships when in-scope contracts are designated as hedging instruments.

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

Amendments to IAS 21 - Translation to a hyperinflationary presentation currency

These amendments are effective for the Group annual reporting year beginning 1 July 2027.

In November 2025, the IASB amended IAS 21 to address translation into a presentation currency of a hyperinflationary economy and to clarify the accounting when such an economy ceases to be hyperinflationary, including related disclosure requirements. The Group does not expect these amendments to have a material impact on its operations or financial statements.

2. Basis of preparation (continued)

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

IFRS 18 - Presentation and Disclosures in Financial Statements

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

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Group will apply the new standard from its mandatory effective date of 1 January 2027, which for the Group will first apply for the period beginning 1 July 2027. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2027 will be restated in accordance with IFRS 18. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

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

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

Amendments to IFRS 19 - Subsidiaries without Public Accountability: Disclosures

These amendments are effective for the Group annual reporting year beginning 1 July 2027.

Issued in August 2025, these amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued. The Group does not currently anticipate applying IFRS 19 to its applicable subsidiary engagements and as such does not expect this standard to have an impact on its operations or financial statements.

2.3 Going concern

The Group has reported a loss for the year and has a significant net liability position. Nevertheless, the Group generated £280.7m of cash from operations during the year and the Group had committed undrawn facilities of £268.0m as well as cash and cash equivalents of £9.8m as at 30 June 2026.

The directors have reviewed the Group's trading forecasts, cash flow projections, borrowing facilities and covenant compliance for a period of twelve months from the date of approval of these financial statements ("the assessment period").

The directors' assessment involved the preparation of a base case financial forecast, reflecting the Board approved budget and long-term business plan, together with a severe but plausible downside scenario. The downside scenario modelled included reductions in revenue, EBITDA and cash flow caused by higher inflation, an increase in financing costs, a decline in contract extensions and new sales, delays or cost overruns on major infrastructure roll-out contracts, and non-delivery of cost savings programme or planned land sales. The directors also performed reverse stress testing to identify what would be required to exhaust available liquidity or breach covenants, and assessed the plausibility of such a combination occurring within the assessment period.

Where the downside and reverse stress test scenarios indicated a risk of covenant breach or liquidity shortfall, the directors identified mitigating actions within their control, including a reduction in costs, deferral of discretionary capital expenditure, disposal of non-core assets and access to undrawn committed facilities. The directors have assessed the extent to which these actions are within management's control versus dependent on the actions of third parties (e.g. lender consent, shareholder approval) and have only given credit for mitigations they consider capable of being implemented within the assessment period.

The Group's principal financing arrangements are subject to financial covenants, principally senior net debt to EBITDA, cash flow interest cover and cash flow debt service cover. Under the base case and modelled mitigated severe but plausible downside scenario, the Group maintained liquidity and covenant headroom throughout the assessment period.

Having considered the matters set out above, the directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 month period from the date of signing of these financial statements, and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to adopt the going concern basis of accounting. Accordingly, they consider it appropriate to prepare the financial statements on a going concern basis.

3. Functional and presentation currency

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

4. Disclosure exemptions - Parent Company individual financial statements

In preparing its individual financial statements under FRS 101, the Company has taken advantage of the following disclosure exemptions permitted by FRS 101:

- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into by two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

5. Summary of material accounting policies

5.1 Basis of consolidation

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

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

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

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

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

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

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

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

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

5. Summary of material accounting policies (continued)

5.2 Revenue

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

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

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

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

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

The Group recognises deferred revenue within contract liabilities which relates to cash received in relation to future services for the utilisation of broadcast sites for telecommunications equipment as a result of the sale of the Telecoms business. The contract liability associated with the utilisation of broadcast sites and equipment is expected to be released over the next 29 years.

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

The following summarises the performance obligations we have identified and provides information on the timing of when they are satisfied and the related revenue recognition policy. The revenue expected to be recognised in future periods for contracts in place at 30 June 2026 that contain unsatisfied performance obligations is included in note 7.

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

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

5. Summary of material accounting policies (continued)

5.2 Revenue (continued)

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

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

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

5. Summary of material accounting policies (continued)

5.3 Government grants

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

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

5.4 Operating profit and exceptional items

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

Exceptional items are items of income or expense which, because of their size, nature or incidence, are presented separately to provide a clearer understanding of the Group’s underlying financial performance. Such items may include costs associated with major reorganisation programmes, significant corporate transactions, material disputes, impairments or other items that are not considered reflective of the Group’s underlying operating activities.

5.5 Taxation

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

(i) Current tax

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

5. Summary of material accounting policies (continued)

5.5 Taxation (continued)

(ii) Deferred tax

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

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

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

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

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

(iii) Current and deferred tax for the year

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

5. Summary of material accounting policies (continued)

5.6 Property, plant and equipment

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

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

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

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

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

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

5.7 Intangible assets

(i) Intangible assets acquired separately

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

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

5. Summary of material accounting policies (continued)

5.7 Intangible assets (continued)

(ii) Internally-generated intangible assets

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

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

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

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

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

(iii) Derecognition of intangible assets

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

5. Summary of material accounting policies (continued)

5.8 Goodwill

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

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

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

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

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 5.10.

5.9 Impairment of tangible and intangible assets including goodwill and CGUs

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

5. Summary of material accounting policies (continued)

5.10 Investments in associates and joint ventures

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

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

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

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

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

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

5. Summary of material accounting policies (continued)

5.11 Leasing

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

The Group as a lessee

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

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

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

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

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

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

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

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

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

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

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

5. Summary of material accounting policies (continued)

5.11 Leasing (continued)

The Group as a lessee (continued)

that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 5.9.

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

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

5.12 Financial instruments

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

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

5. Summary of material accounting policies (continued)

5.13 Financial assets

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

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

5.14 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

5. Summary of material accounting policies (continued)

5.14 Financial liabilities and equity instruments (continued)

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities

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

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

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

5.15 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 34.

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

5. Summary of material accounting policies (continued)

5.16 Provisions

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

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

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

Contracts with customers are assessed to determine whether the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. Where this is the case, the unavoidable costs represent the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises costs that relate directly to the contract, including both incremental costs and an allocation of other costs that relate directly to fulfilling contracts. When such a loss-making contract gives rise to a present obligation, a provision is recognised and measured accordingly. Before recognising a separate provision, the Group recognises any impairment loss on assets used in fulfilling the contract.

The Group operates in a regulated environment and is involved from time to time in commercial and other discussions with regulatory authorities, customers, and key suppliers regarding pricing, contract terms and service levels. As is normal for commercial discussions of this nature and due to the inherent uncertainty regarding these discussions, the outcome and timing may differ from management’s expectations at any point in time.

5. Summary of material accounting policies (continued)

5.17 Employee benefits

(i) Retirement benefit costs and termination benefits

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

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

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

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

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

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

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

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

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

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

5.18 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of profit or loss in the year to which they relate.

5. Summary of material accounting policies (continued)

5.19 Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

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

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

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

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

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

5.20 Dividends

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

5.21 Non-controlling interests

For business combinations completed prior to 1 January 2010, the Group initially recognised any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date.

From 1 January 2010, the total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the Group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of amendment has not been restated.

5. Summary of material accounting policies (continued)

5.22 Foreign currency

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

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

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

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

5. Summary of material accounting policies (continued)

5.23 Prior year adjustments

The Group periodically reviews accounting records, judgements, estimates, and underlying source data to identify potential errors in previously issued financial statements. A prior year error arises from a failure to use, or misuse of, reliable information that was available when the financial statements for prior years were authorised for issue and could reasonably have been expected to have been obtained and considered in the preparation of those financial statements.

Where an error is identified, management assesses the nature, cause, and quantitative and qualitative significance of the matter to determine whether it is material to the current year and/or prior years. This assessment considers the impact on the primary financial statements and related notes, and the influence that the information may reasonably be expected to have on users' economic decisions.

Material prior year errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery. Comparative amounts for the prior year presented are restated as if the error had never occurred. Where the error arose before the earliest comparative period presented, the opening balances of assets, liabilities, and equity for the earliest year presented are restated accordingly.

The correction of a prior year error is recognised through the restatement of comparative information and opening balances rather than through the current year statement of profit or loss. The nature of the error and the amounts of the correction for each financial statement line item affected are disclosed in the notes to the financial statements.

Errors identified that are not material, either individually or in aggregate, to prior years are corrected in the current reporting year when identified. In determining whether an error is material, management applies judgement having regard to both quantitative and qualitative factors and the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

6. Critical accounting estimates and judgements

6.1 Estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. The Directors also need to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to their final outcome deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Impairment of goodwill, other intangible assets and property, plant and equipment

The carrying amount of the Group's goodwill, other intangible assets, and property, plant and equipment is reviewed at each statement of financial position date to determine whether there is any indication of impairment, in compliance with the Group's accounting policies. An assessment of impairment is performed each year as detailed in note 19.

Actuarial assumptions used to determine the carrying amount of defined benefit plan obligations

Estimates are used in determining the present value of scheme liabilities, these include 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 scheme liabilities, which are summarised in note 32.

Useful lives for property, plant and equipment and intangibles

Depreciation or amortisation is charged to the statement of profit or loss based upon the useful lives selected. This assessment requires estimation of the period over which the Group will derive benefit from these assets.

Management monitors and assess the appropriateness of useful economic lives, such lives may also be impacted by external market changes. In the event that such a change were to result in a revision of useful economic lives this could result in a change to the annual depreciation charge going forwards. In the theoretical scenario whereby medium and long term useful economic lives of property, plant and equipment were to be increased by one year, which may occur in the event contracts with customers are extended, the estimated impact on the depreciation charge for the year is approximately £15.0m (2025: £16.0m), with an increase in depreciation in later years.

The Group manages its property, plant and equipment on a portfolio basis through a central estates team. This team contains qualified surveyors who have a wealth of experience working for the Group and within the industry as a whole. The carrying values of intangibles are disclosed in note 18, and those for property, plant and equipment are disclosed in note 17.

6. Critical accounting estimates and judgements (continued)

6.1 Estimates and assumptions (continued)

Provisions

Estimates have been made in respect of the probable future obligations of the Group. These estimates are reviewed annually to reflect current economic conditions and strategic plans. Management is also required to make estimates in relation to the discount rates applied in the calculations.

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 28).

The Group has recognised a contract provision in respect of a contractual arrangement where the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received. The provision involves significant judgement and estimation uncertainty, principally in relation to the forecast costs required to fulfil the remaining contractual obligations, the timing of the related cash outflows and the discount rate applied to measure the provision at present value. The provision represents management's best estimate of the unavoidable costs to fulfil the contract, and actual outcomes may differ from those estimated; further information is provided in note 28.

Recoverability of deferred tax assets

The Group reviews the carrying amount of its deferred tax assets ('DTAs') at each reporting date. DTAs are recognised based on the estimate of probable future taxable profits against which temporary differences and tax losses can be utilised. At the reporting date, the total carrying amount of recognised DTAs is £183.3m (2025: £216.8m). The decrease is due to the Group derecognising £56.3m (2025: £nil) of previously recognised DTAs during the period, as described in note 16. This derecognition has been charged as a non cash expense to the income tax expense in the consolidated statement of profit or loss.

7. Revenue

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

	2026 £m	*2025 £m*
Sale of goods	**76.7**	*45.4*
Rendering of services	**616.3**	*592.8*
	693.0	*638.2*

Analysis of revenue by country of destination:

	2026 £m	*2025 £m*
United Kingdom	**689.1**	*633.2*
Rest of the European Economic Area (EEA)	**3.8**	*4.4*
Rest of the world	**0.1**	*0.6*
	693.0	*638.2*

Timing of revenue recognition:

	2026 £m	*2025 £m*
Goods and services transferred at a point in time	**109.2**	*49.5*
Goods and services transferred over time	**583.8**	*588.7*
	693.0	*638.2*

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the year end is summarised as follows:

£m	**<1 year**	**1-2 years**	**2-5 years**	**5-10 years**	**>10 years**	**Total**
Sale of goods	5.9	7.9	21.5	10.0	4.7	50.0
Rendering of services	467.6	469.2	1,044.5	534.6	255.8	2,771.7
	473.5	477.1	1,066.0	544.6	260.5	2,821.7

8. Other operating income/(expenses)

	2026 £m	2025 £m
Government grants receivable	**7.8**	*7.9*
Insurance claims receivable	**0.8**	*-*
Loss on disposal of property, plant and equipment	**(5.9)**	*(0.1)*
	2.7	*7.8*

Other operating income arises mainly from grants received in the 2010s from the DCMS for Local Com DAB Radio services in respect of fixed asset additions which was credited to the consolidated statement of financial position and is released to the consolidated statement of profit or loss in line with the depreciation over the period of the useful life of the fixed assets. Since this is not considered to be part of the main revenue generating activities, the Group presents this income separately from revenue.

9. Expenses by nature

		2026 £m	2025 £m
Employee costs	11	**91.5**	*89.8*
Depreciation of property, plant and equipment	17	**117.9**	*124.8*
Impairment of property, plant and equipment	17	**52.6**	*-*
Amortisation of other intangible assets	18	**21.9**	*13.5*
Impairment of other intangible assets	18	**20.4**	*-*
Impairment of goodwill	19	**648.3**	*-*
Research and development costs		**1.8**	*2.6*

10. Auditors' remuneration

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

	2026 £m	2025 £m
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	**0.2**	*0.1*
Fees payable to the Company's auditors and their associates in respect of:		
The auditing of financial statements of subsidiaries of the Group	**0.3**	*0.7*
Audit-related assurance services	**0.1**	*0.1*
All assurance services not included above	**-**	*0.5*

11. Employee benefit expenses

Group

	2026 £m	*2025 £m*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**95.5**	*96.1*
Social security contributions and similar taxes	**12.4**	*10.8*
Defined contribution scheme costs	**7.4**	*6.8*
Capitalised employee benefit expenses	**(23.8)**	*(23.9)*
	91.5	*89.8*

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on pages 50 - 52.

	2026 £m	*2025 £m*
Wages and salaries	**5.5**	*5.2*
Defined contribution scheme costs	**0.3**	*0.2*
	5.8	*5.4*

There are no members of the Directors and key management personnel (2025: none) who are a member of the Group's defined benefit pension scheme (see note 32). The members of the Directors and key management personnel had no material transactions with the Group during the year, other than in connection with their service agreements.

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

	2026 No.	*2025 No.*
Media & Broadcast	**47**	*47*
Smart Utilities Networks	**40**	*35*
Operations	**563**	*571*
Technology	**478**	*475*
Corporate	**179**	*190*
Total	**1,307**	*1,318*

12. Directors' remuneration

	2026 £m	*2025 £m*
Directors' emoluments	**0.5**	*0.4*
Group contributions to pension schemes	**-**	*-*
	0.5	*0.4*

The highest paid director's emoluments were as follows:

	2026 £m	*2025 £m*
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	**0.3**	*0.1*
Group contributions to pension schemes	**-**	*-*
	0.3	*0.1*

13. Exceptional operating expenses

	2026 £m	*2025 £m*
Reorganisation and severance	**7.5**	*1.7*
Pension surplus sharing agreement	**-**	*2.0*
Restoration costs	**0.1**	*0.9*
Dispute provision	**14.3**	*-*
Impairment charges	**721.3**	*-*
	743.2	*4.6*

Reorganisation and severance
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, and is being implemented over multiple accounting periods.

Costs of £7.5m (2025: £1.7m) were recognised during the year and have been presented within exceptional operating expenses. These costs principally comprise employee severance and redundancy costs, professional advisory fees, change management support and other directly attributable restructuring and transformation expenditure associated with the programme.

Management considers these costs to be exceptional due to their size and nature. The programme represents a significant strategic transformation initiative that is distinct from the Group's ordinary operating activities and is being undertaken to implement a fundamental organisational and operational redesign. Accordingly, these costs are not considered reflective of the underlying trading performance of the Group and have been disclosed separately to assist users' understanding of the Group's financial performance for the year.

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 was agreed that the members would receive a proportion of any residual net surplus, up to a maximum of £2m. The Group recognised the £2m surplus expense in the year ended 30 June 2025. No further expense has been incurred as the remainder of the surplus will be returned to the Company. Any additional surplus funds made available to members will be used to provide enhanced pensions.

Bilsdale – Project Restore
The restoration costs relate to costs incurred to reinstate services at the Bilsdale transmitter site following a fire which broke out on 10 August 2021 and include £0.1m (2025: £0.9m) 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.

13. Exceptional operating expenses (continued)

Bilsdale – Project Restore (continued)
To date the Group has incurred total rectification costs of £55.9m (2025: £55.8m) including £37.1m (2025: £37.1m) in capital expenditure for the rebuild of the mast and a further £18.8m (2025: £18.7m) of exceptional operating expenses in respect of community support activities and restoration costs. The site rebuild programme is effectively complete and only non-significant expenses are budgeted to complete the final activities.

Dispute provision
During the year, the Group recognised a provision following an enquiry commenced in the current year by the UK tax authorities into the historic tax treatment of the release of a deferred income balance within a subsidiary previously owned by the Group. The purchaser of that entity has indicated that it may seek reimbursement from the Group of any tax related liability that arises under the terms of the sale agreement.

The Group disputes that it has any liability under the sale agreement. Nevertheless, the purchaser maintains that the Group is liable under the sale agreement. That dispute, together with the dispute relating to the amount of any relevant tax authority assessment and the period(s) to which any such assessment may relate, remains to be resolved. This judgement will directly affect the amount of any potential liability (if any).

The timing and final amount of any potential outflow remain uncertain and depend on the outcome of discussions between both the Group and the purchaser, and the purchaser and the tax authorities. The Group is using a reasonable estimation in the provision and the estimate of the provision includes tax obligations relating to historic periods the tax authorities may apply (notwithstanding that the Group considers that the actual lookback period should be shorter), as well as the future tax consequences associated with the remaining deferred income balance, which is expected to unwind fully by 2030.

The impact of the provision within the statement of profit or loss has been presented as an exceptional expense in accordance with the Group's accounting policy for exceptional items. The obligation arises from the historic disposal of a former subsidiary, which was itself treated as an exceptional item. Had this tax exposure been known at the time of the disposal, it would have been reflected within the consideration and therefore would have reduced the exceptional gain recognised on disposal.

As the provision relates to a past, non-recurring transaction and does not form part of the Group's underlying operating activities, management considers its classification as an exceptional item to be appropriate.

Impairment charges
During the year the Group recognised impairment charges to Goodwill, PPE and Intangible assets. The impact on goodwill and further details of the impairment assessment are presented in note 19. The effects on other non-current assets are disclosed in notes 17 and 18.

14. Finance income and expense

Recognised in profit or loss

	2026 £m	*2025 £m*
Finance income		
Interest received on bank deposits	**1.0**	*1.5*
Interest income on defined benefit pension schemes	**0.4**	*0.5*
Total finance income	**1.4**	*2.0*
Finance expense		
Interest expense on bank overdrafts and loans	**107.0**	*111.9*
Interest expense on lease liabilities	**9.3**	*4.0*
Unwinding of discount on provisions	**9.8**	*5.7*
Interest payable to other group undertakings	**219.3**	*199.6*
Other interest payable	**15.8**	*16.9*
Amortisation of debt issue costs	**15.5**	*4.5*
Total finance expense	**376.7**	*342.6*
Net finance expense recognised in profit or loss	**(375.3)**	*(340.6)*

15. Fair value gains

	2026 £m	*2025 £m*
Fair value gain on derivative financial instruments	**8.6**	*4.7*
Foreign exchange (loss)/gain on derivative financial instruments	**(2.9)**	*7.3*
Fair value loss on financial assets at fair value through profit or loss	**(1.9)**	*-*
	3.8	*12.0*

16. Tax expense

16.1 Income tax recognised in profit or loss

	2026 £m	*2025 £m*
Current tax expense		
Current tax on losses for the year	**0.1**	*(0.8)*
Total current tax	**0.1**	*(0.8)*
Deferred tax expense		
Origination and reversal of timing differences	**(24.2)**	*11.9*
Adjustments to tax charge in respect of prior periods (c)	**1.4**	*(5.8)*
Derecognition of previously recognised deferred tax assets (e)	**56.3**	*-*
Total deferred tax	**33.5**	*6.1*
Total tax expense	**33.6**	*5.3*

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2026 £m	*2025 £m*
Loss for the year	**(1,016.1)**	*(160.2)*
Income tax expense	**33.6**	*5.3*
Loss before income taxes	**(982.5)**	*(154.9)*
Tax using the Company's domestic tax rate of 25% (2025: 25%)	**(245.6)**	*(38.7)*
Expenses not deductible for tax purposes (a)	**166.5**	*0.9*
Deemed interest on intercompany balances (b)	**23.3**	*17.2*
Adjustments to tax charge in respect of prior periods (c)	**1.4**	*(5.8)*
Change in unrecognised deferred interest expense tax assets (d)	**31.7**	*31.7*
Derecognition of previously recognised deferred tax assets (e)	**56.3**	*-*
Total tax expense	**33.6**	*5.3*

16. Tax expense (continued)

16.1 Income tax recognised in profit or loss (continued)

a) Expenses that are not deductible in determining taxable loss principally relate to interest payable on shareholder loan notes and the impairment of goodwill, other intangible assets, and property, plant and equipment during the year.
b) Deemed interest expense in respect of inter-company debt, deductible for corporation tax purposes.
c) The adjustment in respect of prior years in the year ended 30 June 2026 relates to refinements of estimates of taxable profits arising from the completion of the compliance process.
d) Change in unrecognised deferred tax asset principally relates to deferred interest expenses.
e) The derecognition of £56.3m (2025: £nil) is described in note 16.4.

16. Tax expense (continued)

16.1 Income tax recognised in profit or loss (continued)

Changes in tax rates and factors affecting the future tax charges

In December 2021, the Organisation for Economic Cooperation and Development (OECD) released model rules for a new global minimum corporate tax framework applicable to multinational enterprise groups with global revenues of over €750 million ("Pillar Two" rules). The UK substantively enacted legislation implementing these rules on 20 June 2023 and the rules apply to the Group as of 1 July 2024. An assessment undertaken shows that Pillar Two income taxes will not have a material impact upon the tax charge for the Group and the jurisdictions in which the Group operates will meet one of the transitional safe harbours. The Group has applied the temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

Estimates and assumptions

No material uncertain tax positions exist as at 30 June 2026. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

16.2 Income tax recognised in other comprehensive income

	2026 £m	*2025 £m*
Deferred tax		
Remeasurement of defined benefit obligation	**-**	*0.1*
	-	*0.1*

16.3 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2026 £m	*2025 £m*
Deferred tax assets	**183.3**	*216.8*
	183.3	*216.8*

Other temporary differences presented below 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.

16. Tax expense (continued)

16.3 Deferred tax balances (continued)

	Opening balance £m	Recognised in profit or loss £m	Closing balance £m
2026			
Fixed asset temporary differences	96.5	36.5	133.0
Derivatives	30.6	(15.8)	14.8
Defined benefit obligations	(1.6)	0.2	(1.4)
Other temporary differences	45.6	(36.2)	9.4
Tax losses carried forward	45.7	(18.2)	27.5
	216.8	(33.5)	183.3

	Opening balance *£m*	Recognised in profit or loss *£m*	Recognised in other comprehensive income *£m*	Closing balance *£m*
2025				
Fixed asset temporary differences	91.1	5.4	-	96.5
Derivatives	47.3	(16.7)	-	30.6
Defined benefit obligations	(2.3)	0.6	0.1	(1.6)
Other temporary differences	41.3	4.3	-	45.6
Tax losses carried forward	45.4	0.3	-	45.7
	222.8	(6.1)	0.1	216.8

16. Tax expense (continued)

16.4 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	2026 £m	*2025 £m*
Tax losses	**58.5**	*40.3*
Other temporary differences	**37.9**	*-*
Deferred interest expenses	**286.3**	*254.6*
	382.7	*294.9*

The Group recognises deferred tax assets to the extent they are both accessible to the group and are supported by the same long-term group EBITDA forecasts used for goodwill impairment testing.

During the year, the Group updated its Long-Term Plan ('LTP') and impairment assessment to reflect revised expectations of future performance for certain markets and business units (see notes 6 and 19). Due to the long-term capital cycle of the business, core forecasts used by management for impairment assessment use a nine-year horizon (after which a terminal value is applied). For the purpose of deferred tax asset recognition modelling, the detailed forecasting period extends beyond nine years and management have reflected the high degree of estimation uncertainty inherent in forecasting beyond 2035 by applying a risk weighting to this later period.

As a result of this modelling, management determined that it is no longer probable that sufficient taxable profits will be available to fully utilise accessible tax attributes. Consequently, the Group has derecognised £56.3m (2025: £nil) of previously recognised deferred tax assets.

At the reporting date, the total carrying amount of recognised deferred tax assets is £183.3m (2025: £216.8m) which is forecast to be utilised by 30 June 2038. Actual future taxable profits may differ from forecast amounts and for every 1% decrease below forecast Group EBITDA, an additional £5.0m of deferred tax asset would become unsupportable.

No attributes have a time expiry.

17. Property, plant and equipment

Group

	Freehold property £m	Long-term leasehold property £m	Plant and machinery £m	Assets under construction £m	Total £m
Cost or valuation					
At 1 July 2024 (as previously stated)	271.9	173.0	1,934.4	90.5	2,469.8
Prior year adjustment	-	-	15.2	-	15.2
At 1 July 2024 (as restated)	271.9	173.0	1,949.6	90.5	2,485.0
Additions (as restated)	-	5.3	14.2	66.6	86.1
Transfers to intangible assets	-	-	2.2	(9.5)	(7.3)
Disposals (as restated)	(0.1)	(5.6)	(21.0)	-	(26.7)
Transfers between classes	1.4	-	54.8	(56.2)	-
Revaluation of provisions	-	0.2	18.4	-	18.6
At 30 June 2025 (as restated)	273.2	172.9	2,018.2	91.4	2,555.7
Prior year adjustment	-	(18.3)	(2.2)	-	(20.5)
At 30 June 2025 (as restated)	273.2	154.6	2,016.0	91.4	2,535.2
Additions	-	5.5	12.3	65.3	83.1
Transfers to intangible assets	-	-	-	(11.8)	(11.8)
Disposals	(2.4)	(10.3)	(59.8)	-	(72.5)
Transfers between classes	2.5	0.5	46.9	(49.9)	-
Revaluation of provisions	-	-	1.5	-	1.5
At 30 June 2026	**273.3**	**150.3**	**2,016.9**	**95.0**	**2,535.5**

17. Property, plant and equipment (continued)

	Freehold property £m	Long-term leasehold property £m	Plant and machinery £m	Assets under construction £m	Total £m
Accumulated depreciation and impairment					
At 1 July 2024 (as previously stated)	20.1	108.1	1,161.7	-	1,289.9
Prior year adjustment	-	-	(1.9)	-	(1.9)
At 1 July 2024 (as restated)	20.1	108.1	1,159.8	-	1,288.0
Charge for owned assets	5.5	2.7	97.8	-	106.0
Charge for leased assets (as restated)	-	9.4	8.3	-	17.7
Disposals	-	(3.0)	(20.3)	-	(23.3)
At 30 June 2025 (as restated)	25.6	117.2	1,245.6	-	1,388.4
Prior year adjustment	-	(18.3)	(2.2)	-	(20.5)
At 30 June 2025 (as restated)	25.6	98.9	1,243.4	-	1,367.9
Charge for owned assets	5.7	3.3	90.5	-	99.5
Charge for leased assets	-	7.6	10.8	-	18.4
Disposals	(0.1)	(7.4)	(55.8)	-	(63.3)
Impairment charge	0.4	-	52.2	-	52.6
At 30 June 2026	**31.6**	**102.4**	**1,341.1**	**-**	**1,475.1**
Net book value					
At 1 July 2024 (as restated)	251.8	64.9	789.8	90.5	1,197.0
At 30 June 2025 (as restated)	247.6	55.7	772.6	91.4	1,167.3
At 30 June 2026	241.7	47.9	675.8	95.0	1,060.4

17. Property, plant and equipment (continued)

Freehold land included above but not depreciated amounts to £152.8m (2025: £155.0m).

Prior year restatements
During the year, the Group identified that a number of its circuit leases had been set up in the relevant IT system with the incorrect lease termination dates. As a result, the lease terms applied in the accounting for those leases under IFRS 16 were shorter than the contractual lease terms. This resulted in the associated right-of-use assets and lease liabilities being understated. Along with the £15.2m adjustment to plant and machinery cost and the £(1.9)m adjustment to plant and machinery depreciation detailed above, cost additions were restated from £10.7m to £14.2m, cost disposals were restated from £(20.8)m to £(21.0)m, and depreciation charge for leased assets were restated from £9.4m to £8.3m. This restatement had a total impact on property, plant and equipment of £21.5m, the other side of this adjustment is to lease liabilities in note 26 where lease liabilities due within one year were restated from £17.3m to £16.7m and lease liabilities due after more than one year were restated from £37.6m to £59.7m.

During the year, the Group completed a review of historic IFRS 16 right-of-use asset records included within property, plant and equipment. The review identified a number of legacy assets that had previously been fully depreciated and for which no associated lease liability or operational lease existed. The correction has therefore been accounted for as a prior year restatement, reducing both the gross cost and accumulated depreciation of property, plant and equipment by equal amounts. There is no impact on net book value, profit or loss, retained earnings, lease liabilities, cash flows, or any other area of the financial statements. This restatement is in relation to the £18.3m and £2.2m adjustments to long-term leasehold property and plant machinery respectively for cost and depreciation.

17.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated statement of financial position is as follows:

	30 June 2026 £m	*As restated 30 June 2025 £m*
Property, plant and equipment owned	**996.0**	*1,100.0*
Right-of-use assets	**64.4**	*67.3*
	1,060.4	*1,167.3*

Net book value

	30 June 2026 £m	*As restated 30 June 2025 £m*
Long-term leasehold property	**31.9**	*35.6*
Plant and machinery	**32.5**	*31.7*
	64.4	*67.3*

17. Property, plant and equipment (continued)

17.1 Assets held under leases (continued)

Depreciation charge for the year ended

	30 June 2026 £m	*As restated 30 June 2025 £m*
Long-term leasehold property	**7.6**	*9.4*
Plant and machinery	**10.8**	*8.3*
	18.4	*17.7*

Additions to right-of-use assets

	30 June 2026 £m	*As restated 30 June 2025 £m*
Additions to right-of-use assets	**6.4**	*13.4*

17.2 Assets pledged as security

In addition to the 'WBS' detailed in note 39, the Group's lease liabilities (see note 27) are secured by the lessors' title of the leased assets, which have a carrying amount of £2.8m (2025: £2.6m) included within long-term leasehold property.

18. Other intangible assets

Group

	Development expenditure £m	Licencing rights £m	Computer software £m	Assets under construction £m	Total £m
Cost					
At 1 July 2024	24.3	11.0	117.6	-	152.9
Additions	-	-	-	13.3	13.3
Transfers from PPE	0.1	0.1	9.2	-	9.4
Disposals	-	-	(0.1)	-	(0.1)
Transfers between classes	(2.1)	-	-	(13.3)	(15.4)
At 30 June 2025	22.3	11.1	126.7	-	160.1
Additions	-	-	-	10.2	10.2
Transfers from PPE	2.2	-	9.6	-	11.8
Transfers between classes	-	-	-	(10.2)	(10.2)
At 30 June 2026	**24.5**	**11.1**	**136.3**	**-**	**171.9**

18. Other intangible assets (continued)

	Development expenditure £m	Licencing rights £m	Computer software £m	Assets under construction £m	Total £m
Accumulated amortisation and impairment					
At 1 July 2024	13.6	10.2	54.7	-	78.5
Charge for the year	0.4	0.4	12.7	-	13.5
Disposals	-	-	(0.1)	-	(0.1)
At 30 June 2025	14.0	10.6	67.3	-	91.9
Charge for the year	1.4	0.1	20.4	-	21.9
Disposals	-	-	0.1	-	0.1
Impairment charge	1.5	0.4	18.5	-	20.4
At 30 June 2026	**16.9**	**11.1**	**106.3**	**-**	**134.3**
Net book value					
At 1 July 2024	10.7	0.8	62.9	-	74.4
At 30 June 2025	8.3	0.5	59.4	-	68.2
At 30 June 2026	7.6	-	30.0	-	37.6

During the year, the Group combined its licences and access rights categories within its intangible asset disclosures above as the assets are similar in nature and use and are subject to the same amortisation policy. Comparative information has been re-presented to conform to the current year presentation. There is no impact on total intangible assets or the Group's results.

19. Goodwill

Group

	2026 £m	*2025 £m*
Cost	**1,458.4**	*1,458.4*
Accumulated impairment	**(766.5)**	*(118.2)*
	691.9	*1,340.2*

	2026 £m	*2025 £m*
Cost		
At 1 July	**1,458.4**	*1,458.4*
At 30 June	**1,458.4**	*1,458.4*
Accumulated impairment		
At 1 July	**118.2**	*118.2*
Impairment charge	**648.3**	*-*
At 30 June	**766.5**	*118.2*

19.1 Allocation of goodwill to cash generating units

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The CGUs that have associated goodwill are Media & Broadcast and Smart Utilities Networks.

These are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets, and to which goodwill is allocated.

Goodwill is allocated to the Group's cash generating unit as follows:

	2026 £m	*2025 £m*
Media & Broadcast	**691.9**	*1,340.2*
Smart Utilities Networks	**-**	*-*
	691.9	*1,340.2*

19. Goodwill (continued)

19.1 Allocation of goodwill to cash generating units (continued)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value-in-use calculations ('VIU').

The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the year for which management has detailed plans.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Growth rates are based on internal and external growth forecasts. Changes to cash flows are based on past practices and expectations of future changes in the market.

Recognition of impairment

Management identified impairment indicators during the year due to revised expectations of future performance for certain markets and business units. Accordingly, impairment testing was performed at 31 December 2025. This review was undertaken in addition to the Group's annual impairment assessment performed at 30 June each year.

The result of the December impairment review was that an impairment charge of £571.9m (30 June 2025: £nil) was recognised for the Media & Broadcast CGU, partially reducing the carrying amount of its goodwill. In addition, £58.9m (30 June 2025: £nil) impairment was recorded for the Smart Utilities Networks CGU, comprising £42.8m to property, plant and equipment and £16.1m to other intangible assets.

The result of the annual impairment review performed at 30 June 2026 was that an additional impairment charge of £75.7m (2025: £nil) was recognised for the Media & Broadcast CGU, partially reducing the carrying amount of its goodwill. In addition, £14.1m (2025: £nil) was recognised for the Smart Utilities Networks CGU, comprising £4.3m to other intangible assets and £9.8m to property, plant and equipment.

The total impairment charge arising on the annual impairment review recognised during the year was £720.6m (30 June 2025: £nil). An additional impairment charge of £0.7m (2025: £nil) was recognised during the year in respect of the Group's overseas trading division in relation to the Media & Broadcast CGU.

The charge is recognised as an exceptional item and disclosed in note 13. See notes 17 and 18 for how this is further disaggregated into the Group's asset categories. The recoverable amount used to calculate impairments of CGUs is its value in use. The discount rate used in the value in use calculation is detailed below.

19. Goodwill (continued)

19.1 Allocation of goodwill to cash generating units (continued)

Media & Broadcast

Projected cash flows and the 'recoverable amount'
The value in use of this CGU is determined from the cash flow forecasts derived from the most recent financial forecasts approved by the Board for the next nine years. They reflect management's expectations of revenue, EBITDA growth, capital expenditure and working capital based on past experience and future expectations of performance. IAS36 sets out the expectation of a five-year period to be used when forecasting the recoverable amount of a CGU. Management has however elected to use a nine-year forecast as this aligns with the Group's long-term business plan ('LTP') which is a thorough forecast for future cash flows and Management consider this to be more appropriate as it enables the Group to better capture the long-term value creation from existing long-term contracts included in the Group's LTP, and better captures the full trajectory of strategic initiatives, investment cycles, and market developments that are expected to unfold over the longer term. The recoverable amount of this CGU is £1,386.9m (2025: £2,476.6m).

Discount rate
The pre-tax discount rate applied to the Group's cash flow forecasts are derived using the capital asset pricing model for comparable businesses.

The assumptions used are benchmarked to externally available data. The pre-tax discount rate used for the Media & Broadcast CGU is 11.0% (2025: 10.6%).

This discount rate does not represent the weighted average cost of capital ('WACC') for Arqiva, but instead is an industry and comparative company based capital asset pricing model ('CAPM') derived discount rate, utilising current spot rates at the time of calculation.

Terminal growth rates
The terminal growth rate of 2.0% (2025: 2.0%) is determined based on the BoE inflation target each year for the foreseeable future as the majority of contracts with customers in this CGU are inflation-linked.

Sensitivities
Following recognition of the impairment charges during the year, the year-end impairment assessment indicated that the recoverable amount of each CGU exceeded its carrying amount.

The M&B CGU had headroom of £nil at 30 June 2026. The following changes to key assumptions (in isolation) would result in the value in use falling by £8.1m (2025: would result in the value in use being equal to the carrying value):

- An increase in the pre-tax discount rate to 11.2% (2025: an increase in the pre-tax discount rate to 12.6%).
- A decrease in the terminal growth rate to 1.8% (2025: a decrease in the terminal growth rate to 0.2%).
- A decrease of 0.3% in average annual EBITDA for the 9-year period (2025: no reasonable reduction would result in an impairment).
- An increase of 2.0% in average annual Capex for the 9-year period (2025: no reasonable reduction would result in an impairment).

19. Goodwill (continued)

19.1 Allocation of goodwill to cash generating units (continued)

Smart Utilities Networks

Projected cash flows and the 'recoverable amount'
The value in use of this CGU is determined from the cash flow forecasts derived from the most recent financial forecasts approved by the Board for the next nine years. They reflect management's expectations of revenue, EBITDA growth, capital expenditure and working capital based on past experience and future expectations of performance. IAS36 sets out the expectation of a five-year period to be used when forecasting the recoverable amount of a CGU. Management has however elected to use a nine-year forecast as this aligns with the Group's long-term business plan ('LTP') which is a thorough forecast for future cash flows and Management consider this to be more appropriate as it enables the Group to better capture the long-term value creation from existing long-term contracts included in the Group's LTP, and better captures the full trajectory of strategic initiatives, investment cycles, and market developments that are expected to unfold over the longer term. The recoverable amount of this CGU is £77.9m (2025: £207.3m).

Discount rate
The pre-tax discount rate applied to the Group's cash flow forecasts are derived using the capital asset pricing model for comparable businesses.

The assumptions used are benchmarked to externally available data. The pre-tax discount rate used for the SUN CGU is 11.9% (2025: 10.2%).

This discount rate does not represent the weighted average cost of capital ('WACC') for Arqiva, but instead is an industry and comparative company based capital asset pricing model ('CAPM') derived discount rate, utilising current spot rates at the time of calculation.

Terminal growth rates
The terminal growth rate of 2.0% (2025: 2.0%) is determined based on the BoE inflation target each year for the foreseeable future as the majority of contracts with customers in this CGU are inflation-linked.

Sensitivities
Following recognition of the impairment charges during the year, the year-end impairment assessment indicated that the recoverable amount of each CGU exceeded its carrying amount.

The SUN CGU had headroom of £nil at 30 June 2026. The following changes to key assumptions (in isolation) would result in the value in use falling by £8.1m (2025: would result in the value in use being equal to the carrying value):

- An increase in the pre-tax discount rate to 13.7% (2025: an increase in the pre-tax discount rate to 12.4%).
- A decrease in the terminal growth rate to 0.6% (2025: a decrease in the terminal growth rate to 0.7%).
- A decrease of 1.4% in average annual EBITDA for the 9-year period (2025: no reasonable reduction would result in an impairment).
- An increase of 3.6% in average annual Capex for the 9-year period (2025: no reasonable reduction would result in an impairment).

20. Investments in associates and joint ventures

In addition to the subsidiary undertakings as detailed in note 41 (which includes undertakings in which the Group holds a shareholding of more than 50%), the Group holds the following interests in associates and joint ventures:

Name	Country of incorporation	Principal activity	Registered office	Year end	Ordinary share holding
Joint ventures:					
Sound Digital Limited	United Kingdom	Ownership and operation of UK DAB radio multiplex licence	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA	31-Dec	40%
Associate undertakings:					
Muxco Limited	United Kingdom	Bidding for UK DAB digital radio multiplex licences	Greenworks Dog And Duck Yard, Princeton Street, London, England, WC1R 4BH	31-Dec	25%
UK Digital Radio Limited	United Kingdom	Support delivery of a digital future for radio	15 Alfred Place, London, England, WC1E 7EB	30-Jun	10%

The share of results of associates and joint ventures was £nil (2025: £nil) for the year with the interest in associates and joint ventures being £0.1m (2025: £0.1m).

The joint venture and associate's financial information that are not co-terminus with the Group's year end are adopted by the Group at their respective financial statement dates as the Group does not hold control over these subsidiary undertakings. The Group does not have a representation on the board of these subsidiaries and the Group has no influence over their operating decisions.

Although the Group owns over 20% of Sound Digital Limited and Muxco Limited, the Group does not have the rights to direct the activities of the investees.

The Directors consider the carrying value of the Group's investments on an annual basis, or more frequently should indicators arise, and believe that the carrying values of the investments are supported by the underlying trade and net assets.

Transactions with associates and joint ventures in the year are disclosed in note 36.

21. Financial assets at fair value through profit or loss

Group

	2026 £m	*2025 £m*
Insurance captive arrangements	**0.8**	*0.2*
	0.8	*0.2*

The Group holds cellular shares in a protected cell captive insurance arrangement. The investment is classified as a financial asset measured at fair value through profit or loss. The fair value measurement is categorised within Level 3 of the fair value hierarchy because there is no quoted market price for the cellular shares and the valuation is based on unobservable inputs. Fair value is determined by reference to the net asset value of the cell, based on management information provided by the cell manager, as management considers this to be the most representative estimate of the Group's residual economic interest at the reporting date. The key unobservable inputs are the underlying net assets of the cell, including claims provisions and capital required to support the cell's underwriting and operational risks. During the year, the Level 3 financial asset increased from £0.2m to £0.8m, comprising additions of £2.5m and a fair value loss of £1.9m recognised in profit or loss. Management has assessed reasonably possible changes in the key unobservable inputs and concluded that no such changes would have a significant effect on the fair value of the asset.

22. Trade and other receivables

Group

	2026 £m	*2025 £m*
Current		
Trade receivables	**47.5**	*57.8*
Less: provision for impairment of trade receivables	**(4.7)**	*(5.6)*
Trade receivables - net	**42.8**	*52.2*
Receivables from related parties	**37.3**	*35.0*
Total financial assets other than cash and cash equivalents classified as loans and receivables	**80.1**	*87.2*
Prepayments	**25.5**	*31.0*
Other receivables	**5.2**	*5.4*
Total current trade and other receivables	**110.8**	*123.6*

The carrying value of trade and other receivables approximates fair value.

The Group does not hold any collateral as security.

22. Trade and other receivables (continued)

The ageing of the Group's net trade receivables which are past due but where no indication of non-recoverability has been identified is as follows:

	2026 £m	*2025 £m*
Up to 30 days overdue	**2.8**	*4.8*
Between 31 and 90 days overdue	**1.6**	*0.4*
Between 91 and 150 days overdue	**0.9**	*0.1*
More than 150 days overdue	**6.3**	*4.9*
	11.6	*10.2*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rate used by the Group is based on the Group's historical credit losses experienced over the five-year period prior to the year end. The historical loss rates are then considered for current and forward-looking information on macroeconomic factors affecting the Group's customers. No adjustments were made to the expected loss rate applied for the current year. The Group's expected loss rate for receivables is 0.4% (2025: 0.4%).

Total expected credit losses provided for trade receivables were £0.2m (2025: £0.2m).

In addition to the expected credit loss model, the Group's policy is to also consider a specific provision for trade receivables outstanding for more than 30 days beyond the agreed terms, or where the business environment indicates a specific risk. Management will make an assessment of the level of provision based on the Group policy. Adjustments to the calculated level of provision will be made accordingly.

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality. For further information on how the Group manages credit risk see note 34.

Total specific credit losses provided for trade receivables were £4.5m (2025: £5.4m).

Provisions for impairments for contract assets are not material.

Movements in the impairment allowance for trade receivables are as follows:

	2026 £m	*2025 £m*
Current		
At 1 July	**5.6**	*6.3*
Provided during the year	**1.2**	*0.8*
Receivable written off during the year as uncollectible	**(2.1)**	*(1.5)*
At 30 June	**4.7**	*5.6*

22. Trade and other receivables (continued)

Company

	2026 £m	*Restated 2025 £m*
Non-current		
Loans to group undertakings	**2,427.2**	*2,208.1*
Total non-current trade and other receivables	**2,427.2**	*2,208.1*

Loans to group undertakings are unsecured, repayable on demand and interest has been charged at 9.5%.

The carrying value of trade and other receivables approximates fair value.

Prior year restatement
Comparative disclosures have been restated to correct a presentation error identified in the prior year relating to the offsetting of intercompany balances with different group undertakings. The prior year disclosures presented loans to group undertakings of £2,162.9m and payables to related parties of £2,117.7m. Following correction, loans to group undertakings have been restated to £2,208.1m and payables to related parties have been restated to £2,162.9m. The correction affects only the presentation of intercompany balances at a Company level and does not impact net assets, profit for the year, total equity, cash flows or any other disclosures presented in these financial statements.

23. Contract assets

Group

	2026 £m	*As restated 2025 £m*
Balance at 1 July	**8.9**	*6.9*
Transfers from contract assets recognised at the beginning of the year to receivables	**(5.9)**	*(3.6)*
Revenue recognised not yet billed	**12.5**	*5.6*
Impairment of contract assets	**(4.8)**	*-*
Balance at 30 June	**10.7**	*8.9*

The Group has recognised an impairment of a contract asset arising under the same contractual arrangement for which a contract provision has been recorded, see details in note 28. The contract asset had previously arisen from the allocation of revenue between performance obligations under IFRS 15; however, management subsequently determined that the unavoidable costs of fulfilling the remaining contractual obligations exceed the economic benefits expected to be received from the contract. Accordingly, the related contract asset is no longer considered recoverable and has been impaired in full.

Prior year restatement
Comparative disclosures have been restated to correct errors identified in the supporting calculations of the comparative contract assets movement disclosures. The correction relates solely to the allocation of movements between categories within the reconciliation and does not affect the previously reported opening or closing contract asset balances, revenue recognised, profit for the year, net assets or any other disclosures presented in these financial statements. The disclosures in the prior year presented increases as a result of a contract modification as £2.0m, transfers from contract assets recognised at the beginning of the year to receivables as £nil and revenue recognised not yet billed as £nil.

24. Trade and other liabilities

Group

	2026 £m	*Restated 2025 £m*
Current		
Trade payables	**45.0**	*54.6*
Payables to related parties	**2,155.1**	*1,963.2*
Other payables	**4.5**	*10.8*
Accruals	**49.9**	*45.8*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**2,254.5**	*2,074.4*
Other payables - tax and social security payments	**21.6**	*25.3*
Total current trade and other liabilities	**2,276.1**	*2,099.7*

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Prior year restatement
Comparative disclosures have been restated to correct a presentation error identified in the prior year relating to the netting of tax and social security balances within amounts payable to related parties. The prior year disclosures presented payables to related parties of £1,988.5m and other payables - tax and social security payments of £nil. The correction reflects that VAT and social security balances are settled externally and should not therefore have been netted against intercompany balances. The correction affects only the presentation of these balances and does not impact net assets, profit for the year, total equity or cash flows.

Company

	2026 £m	*Restated 2025 £m*
Current		
Payables to related parties	**2,382.0**	*2,162.9*
Total current trade and other liabilities	**2,382.0**	*2,162.9*

Current payables to related parties are unsecured, repayable on demand and interest has been charged at 9.5%.

Prior year restatement
See note 22 for information regarding the restatement.

25. Contract liabilities

Group

	2026 £m	*2025 £m*
Current	**121.1**	*100.1*
Non-current	**227.8**	*266.4*
	348.9	*366.5*

	2026 £m	*As restated 2025 £m*
Balance at 1 July	**366.5**	*381.5*
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(108.4)**	*(98.7)*
Increases due to cash received, excluding amounts recognised as revenue during the year	**90.8**	*83.7*
Balance at 30 June	**348.9**	*366.5*

Other than business-as-usual movements there were no significant changes in contract liability balances during the year.

Prior year restatement
Comparative disclosures have been restated to correct errors identified in the supporting calculations of the comparative contract liabilities movement disclosures. The correction relates solely to the allocation of movements between categories within the reconciliation and does not affect the previously reported opening or closing contract liability balances, revenue recognised, profit for the year, net assets or any other disclosures presented in these financial statements. The disclosures in the prior year presented revenue recognised that was included in the contract liability balance at the beginning of the year as £(61.4)m and increases due to cash received, excluding amounts recognised as revenue during the year as £46.4m.

26. Loans and borrowings

Group

		2026 £m	*As restated 2025 £m*
Non-current			
Other loans		**1,264.6**	*1,259.8*
Amounts payable to other group entities		**45.2**	*45.2*
Lease liabilities	27	**57.1**	*59.7*
		1,366.9	*1,364.7*
Current			
Bank loans		**27.0**	*20.0*
Other loans		**53.0**	*75.0*
Accrued interest on other loans		**11.9**	*13.2*
Lease liabilities	27	**15.2**	*16.7*
		107.1	*124.9*
Total loans and borrowings		**1,474.0**	*1,489.6*

The currency profile of the Group's loans and borrowings is as follows:

	2026 £m	*As restated 2025 £m*
GBP Sterling	**1,384.9**	*1,403.4*
USD Dollar	**89.1**	*86.2*
Total loans and borrowings	**1,474.0**	*1,489.6*

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value unless otherwise stated below.

For information regarding the Group's covenants and compliance, see note 35.

26. Loans and borrowings (continued)

Bank loans
Current bank loans relate to the Group's working capital facilities. All bank loans carry floating interest rates. For further information on the Group's liquidity risk management and drawn/undrawn facilities, see note 34.

Other loans
Other loans relate to the Group's senior bonds, senior notes and private placements, and junior loans.

As at 30 June 2026, the Group had £587.3m (2025: £613.9m) of GBP sterling denominated bonds outstanding with fixed interest rates. These bonds have maturities between June 2028 and December 2032. The fair value of the senior bonds is based upon quoted market prices (fair value hierarchy level 1) and was priced at £585.0m (2025: £628.0m) whilst their carrying value was £587.3m (2025: £613.9m). The Group's senior bonds are listed on the London Stock Exchange's Main Market.

As at 30 June 2026, the Group had £151.3m (2025: £199.7m) of GBP sterling denominated private placements outstanding with floating interest rates. These bonds have maturities between June 2029 and December 2029. In addition, the Group has £89.1m (2025: £86.2m) of US dollar denominated private placements with fixed interest rates. At the hedged rate these are valued at £95.1m (2025: £95.1m). These notes have a final maturity date of June 2031.

As at 30 June 2026, the Group had £500.0m (2025: £450.0m) of GBP sterling denominated junior loans outstanding with fixed interest rates following a refinancing of the previous junior loans completed during the period on 3 July 2025. As part of the refinancing event, £450.0m of junior loans were repaid in exchange for £500.0m of newly issued junior loans. These junior loans have a final maturity date of July 2030. The Group's junior bonds are listed on the London Stock Exchange's International Securities Market.

Included within Other loans are unamortised debt issue costs of £10.2m (2025: £14.9m) which are amortised over the term of the loans to which they relate.

Prior year restatement
The prior year amounts for lease liabilities have been restated, for details of this restatement please see note 17.

Company

	2026 £m	*2025 £m*
Non-current		
Amounts payable to other group entities	**45.2**	*45.2*
Total loans and borrowings	**45.2**	*45.2*

27. Lease liabilities

Group

(i) Leases as a lessee

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

The Group has applied the recognition exemption for short-term leases and leases of low-value assets.

The contractual undiscounted cash flows for lease liabilities along with liquidity risk considerations are disclosed in note 34. The total cash outflow for leases during the year was £24.1m (2025: £25.4m).

The following amounts in respect of leases have been recognised in profit or loss:

	2026 £m	*2025 £m*
Interest expense on lease liabilities	**9.3**	*4.0*
Variable lease payments not included in the measurement of lease liabilities	**2.1**	*2.5*

28. Provisions

Group

	Decommissioning £m	Contract provision £m	Remediation £m	Dispute £m	Other £m	Total £m
At 1 July 2025	94.2	-	3.8	-	7.1	105.1
Charged to profit or loss	0.3	31.3	1.3	14.3	0.9	48.1
Utilised during the year	(0.2)	-	(2.2)	-	-	(2.4)
Reclassification	(6.1)	-	6.1	-	-	-
Revaluation through PPE	1.5	-	-	-	-	1.5
Unwind of discount	8.0	-	1.8	-	-	9.8
At 30 June 2026	**97.7**	**31.3**	**10.8**	**14.3**	**8.0**	**162.1**
Due within one year or less	1.6	7.2	2.0	-	0.5	11.3
Due after more than one year	96.1	24.1	8.8	14.3	7.5	150.8
	97.7	**31.3**	**10.8**	**14.3**	**8.0**	**162.1**

28. Provisions (continued)

Decommissioning

Provisions are made for decommissioning costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties.

The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040 assuming the assets will be in good operating order throughout their estimated useful lives. A discount rate of 7.6% (2025: 8.0%) has been applied in calculating the decommissioning provision based on the Group's incremental borrowing rate. This year we have an increase in PPE of £1.5m (2025: £18.6m) as disclosed in note 17. This increase is due to increases in budgeted costs to decommission a number of our sites, as a result of managements periodic review of the cost budgets.

Contract provision

A contract provision has been recognised in respect of a contractual arrangement for which the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received under the contract. The provision represents management's best estimate of the unavoidable costs required to fulfil the remaining contractual obligations at the reporting date. The timing and amount of future cash outflows are subject to estimation uncertainty and may vary depending on the actual costs incurred in fulfilling the contract. The provision has been measured at the present value of the expected future cash outflows required to fulfil the contractual obligations. The unwinding of the discount is recognised within finance costs.

Remediation

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

Dispute

The dispute provision arising during the year is disclosed in further detail within note 13.

Other

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

During the year, the Group combined its restructuring provision category into its other provision category within its provisions disclosures above as the provision is not quantitively or qualitatively material to disclose separately. There is no impact on total provisions or the Group's results.

29. Share capital

Authorised

	2026 Number	2026 £m	*2025 Number*	*2025 £m*
Shares treated as equity				
Ordinary shares of £1.00 each	**100,002**	**0.1**	*100,002*	*0.1*
	100,002	**0.1**	*100,002*	*0.1*

Issued and fully paid

	2026 Number	2026 £m	*2025 Number*	*2025 £m*
Ordinary shares of £1.00 each				
At 1 July and 30 June	**100,002**	**0.1**	*100,002*	*0.1*

30. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium

Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

The capital contribution reserve arose as a result of shareholder transactions. These transactions represent cash injections into the Company.

Translation reserve

Net gains and losses arising on retranslating the net assets of overseas operations into £.

Merger Reserve

The difference between the fair value of shares issued and the nominal value of those shares during a business combination accounted for using the merger method.

Accumulated losses

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

31. Non-controlling interests

	2026 £m	*2025 £m*
Balance at beginning of the year	**2.1**	*1.9*
Share of profit for the year	**0.3**	*0.3*
Dividends paid	**(0.1)**	*(0.1)*
	2.3	*2.1*

Dividends paid represents dividends declared to non-controlling interest shareholders of Now Digital (East Midlands) Limited, a subsidiary of the Group, at £40.00 per share (2025: £40.00 per share).

No dividends were declared or paid to ABPL shareholders during the year (2025: £nil).

32. Defined benefit schemes

(i) Defined benefit scheme characteristics and funding

In the year to 30 June 2026, 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.

The Plan's assets comprise predominantly bulk annuity insurance policy, together with a small balance of cash and government bonds. The bulk annuity policy is intended to provide cash flows that closely match the expected benefit obligations of the Plan, thereby substantially reducing exposure to market and demographic risks.

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 scheme is 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 insurance policies asset.

Interest rate risk
Decreases in the bond interest rate increases the gross defined benefit obligation.

Longevity risk
Decreases in the estimation of mortality rates of current and former employees increases the gross defined benefit obligation.

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.

32. Defined benefit schemes (continued)

(i) Defined benefit scheme characteristics and funding (continued)

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 Limited.

The Group has recognised a net defined benefit pension surplus of £6.2m (2025: £6.9m). Management has concluded that the full surplus is recoverable and therefore no restriction has been applied under IFRIC 14. This assessment is based on legal advice previously obtained which indicates that the Company has an unconditional right to a refund of any residual surplus on the ultimate wind-up of the Plan, after allowing for amounts committed to member benefit enhancements. Accordingly, the recognised asset reflects the full excess of the fair value of plan assets over the present value of the defined benefit obligation at the reporting date.

Virgin Media Case
In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the necessary S37 certification associated to these historic amendments was not prepared or documented appropriately. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision.

The Plan was contracted out until 5 April 2016 and amendments were made to the Plan Rules between April 1997 and this date. As such, the ruling could have implications for the Company.

In April 2026, the Government introduced legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. This action has therefore lowered the risk of any adjustments to the DBO.

We understand that detailed investigation into historic Plan amendments remains ongoing. Therefore, the amount of any potential impact on the DBO cannot be confirmed and/or measured with sufficient reliability as at 30 June 2026. Given the uncertain nature, we consider this to be a potential contingent liability as at the balance sheet date.

Management continues to investigate the validity and effect of historic Plan amendments, including obtaining legal advice and reviewing historical documentation to assess any potential impact on the defined benefit obligation. The review also includes consideration of the implications of recent legislative developments relating to the retrospective confirmation of historic amendments. Until this work is completed, the potential financial effect cannot be measured with sufficient reliability.

32. Defined benefit schemes (continued)

(ii) Reconciliation of defined benefit obligation and fair value of scheme assets

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability/(surplus)	
	2026 £m	*2025 £m*	**2026 £m**	*2025 £m*	**2026 £m**	*2025 £m*
Balance at 1 July	**156.0**	*165.6*	**(162.9)**	*(174.9)*	**(6.9)**	*(9.3)*
Service cost - past	**0.2**	*2.0*	**0.9**	*0.8*	**1.1**	*2.8*
Interest expense/(income)	**8.5**	*8.4*	**(8.9)**	*(8.9)*	**(0.4)**	*(0.5)*
Included in profit or loss	**164.7**	*176.0*	**(170.9)**	*(183.0)*	**0.7**	*2.3*
Actuarial (gain)/loss from:						
- Demographic assumptions	**1.2**	*(0.7)*	**-**	*-*	**1.2**	*(0.7)*
- Financial assumptions	**(6.3)**	*(12.3)*	**-**	*-*	**(6.3)**	*(12.3)*
- Adjustments (experience)	**1.5**	*(0.1)*	**-**	*-*	**1.5**	*(0.1)*
Return on plan assets (excluding interest)	**-**	*-*	**3.6**	*13.3*	**3.6**	*13.3*
Included in other comprehensive expense	**(3.6)**	*(13.1)*	**3.6**	*13.3*	**-**	*0.2*
Employer contributions	**-**	*-*	**-**	*(0.1)*	**-**	*(0.1)*
Benefits paid	**(7.4)**	*(6.9)*	**7.4**	*6.9*	**-**	*-*
Other movements	**(7.4)**	*(6.9)*	**7.4**	*6.8*	**-**	*(0.1)*
Balance at 30 June	**153.7**	*156.0*	**(159.9)**	*(162.9)*	**(6.2)**	*(6.9)*

32. Defined benefit schemes (continued)

Composition of plan assets:

	Quoted £m	**Unquoted £m**	**2026 Total £m**	*Quoted £m*	*Unquoted £m*	*2025 Total £m*
Government bonds	2.0	-	2.0	2.0	-	2.0
Cash and cash equivalents	5.5	-	5.5	6.0	-	6.0
Insurance policies	-	152.4	152.4	-	154.9	154.9
Total plan assets	7.5	152.4	159.9	8.0	154.9	162.9

As of 30 June 2026, the Plan's assets comprise predominantly of a bulk annuity insurance policy. As at 30 June 2026, 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. £5.5m cash surplus remains in the Plan after considering prudent provisions on future payments and expenses.

32. Defined benefit schemes (continued)

Actuarial assumption

The principal actuarial assumptions used in the determining calculating the present value of the defined benefit obligation (weighted average) include:

	2026	*2025*
Discount rate	**6.00 %**	*5.60 %*
Increase in inflation (RPI)	**3.00 %**	*2.90 %*
Increase in inflation (CPI)	**2.50 %**	*2.40 %*
Longevity at retirement age (current pensioners)		
- Males	**26.1 years**	*25.6 years*
- Females	**28.8 years**	*28.6 years*
Longevity at retirement age (future pensioners)		
- Males	**27.9 years**	*27.5 years*
- Females	**30.5 years**	*30.3 years*

The weighted-average duration of the defined benefit obligation at 30 June 2026 was 12.0 years (*2025*: *15* years).

Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumptions constant, is presented in the table below:

		Defined benefit obligation	
Actual assumption	**Reasonably possible change**	**Increase**	**Decrease**
Discount rate	(+/- 0.10%)	(2)	1.9
Increase in inflation (RPI)	(+/- 0.10%)	2	(1.5)
Increase in inflation (CPI)	(+/- 0.10%)	-	(0.1)

33. Derivative financial instruments

Group

	2026 £m	*2025 £m*
Derivative financial assets		
Interest rate swaps - cash flow hedges	**9.1**	*13.4*
Total derivative financial assets	**9.1**	*13.4*
Non-current	**9.1**	*13.4*
Total derivative financial assets	**9.1**	*13.4*

	2026 £m	*2025 £m*
Derivative financial liabilities		
Forward foreign exchange contracts	**8.4**	*(0.8)*
Interest rate swaps - fair value hedges	**51.4**	*123.6*
Total derivative financial liabilities	**59.8**	*122.8*

	2026 £m	*2025 £m*
Current	**51.4**	*-*
Non-current	**8.4**	*122.8*
Total derivative financial liabilities	**59.8**	*122.8*

Details of the risks the derivative financial instruments above hedge against are discussed in note 34. All derivative financial instruments are measured at fair value at the end of each reporting period. In the fair value hierarchy they are classified as Level 2 assets and their valuation is calculated using a risk-adjusted discount rate.

34. Financial instruments - fair values and risk management

34.1 Accounting classifications and fair values

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
Level 2 - those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 - those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value	
30 June 2026	Note	Fair value - hedging instruments	At FVTPL	Amortised cost	Total	Level 2	Level 3
		£m	£m	£m	£m	£m	£m
Financial assets measured at fair value							
Interest rate swaps used for hedging	33	9.1	-	-	9.1	9.1	-
Captive insurance cell	21	-	0.8	-	0.8	-	0.8
		9.1	0.8	-	9.9		
Financial assets not measured at fair value							
Trade and other receivables	22	-	-	80.1	80.1	-	-
Cash and cash equivalents	38	-	-	9.8	9.8	-	-
		-	-	89.9	89.9		

34. Financial instruments - fair values and risk management (continued)

34.1 Accounting classifications and fair values (continued)

		Carrying amount				Fair value	
30 June 2026	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	Amortised cost	Total	Level 2	Level 3
		£m	£m	£m	£m	£m	£m
Financial liabilities measured at fair value							
Interest rate swaps used for hedging	33	51.4	-	-	51.4	51.4	-
Cross-currency swaps used for hedging	33	8.4	-	-	8.4	8.4	-
		59.8	-	-	59.8		
Financial liabilities not measured at fair value							
Bank and other loans	26	-	-	1,344.6	1,344.6	-	-
Interest on bank and other loans	26	-	-	11.9	11.9	-	-
Financial lease liabilities	26	-	-	72.3	72.3	-	-
Trade and other liabilities	24	-	-	2,254.5	2,254.5	-	-
		-	-	3,683.3	3,683.3		

34. Financial instruments - fair values and risk management (continued)

34.1 Accounting classifications and fair values (continued)

		Carrying amount				Fair value	
30 June 2025 (restated)	Note	Fair value - hedging instruments	At FVTPL	Amortised cost	Total	Level 2	Level 3
		£m	£m	£m	£m	£m	£m
Financial assets measured at fair value							
Interest rate swaps used for hedging	33	13.4	-	-	13.4	13.4	-
Captive insurance cell	21	-	0.2	-	0.2	-	0.2
		13.4	0.2	-	13.6		
Financial assets not measured at fair value							
Trade and other receivables	22	-	-	87.2	87.2	-	-
Cash and cash equivalents	38	-	-	22.4	22.4	-	-
		-	-	109.6	109.6		
Financial liabilities measured at fair value							
Interest rate swaps used for hedging	33	123.6	-	-	123.6	123.6	-
Cross-currency swaps used for hedging	33	(0.8)	-	-	(0.8)	(0.8)	-
		122.8	-	-	122.8		
Financial liabilities not measured at fair value							
Bank and other loans	26	-	-	1,354.8	1,354.8	-	-
Interest on bank and other loans	26	-	-	13.2	13.2	-	-
Financial lease liabilities	26	-	-	76.4	76.4	-	-
Trade and other liabilities	24	-	-	2,074.4	2,074.4	-	-
		-	-	3,518.8	3,518.8		

34. Financial instruments - fair values and risk management (continued)

34.1 Accounting classifications and fair values (continued)

Prior year restatement
Comparative disclosures for Financial assets measured at fair value have been restated to include the Group's captive cell arrangement, which was excluded in error in the prior year disclosures. The correction affects only the relevant financial instrument disclosures above and does not impact any other amounts or disclosures presented in these financial statements.

Comparative disclosures for financial lease liabilities have been restated in line with the adjustments made as described in note 17. The disclosures in the prior year presented financial lease liabilities of £54.9m.

Comparative disclosures for trade and other liabilities have been restated to exclude other payables - tax and social security payments, which were included in error in the prior year disclosures. The disclosures in the prior year presented trade and other liabilities of £2,099.7m.

34.2 Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Group’s treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group using derivative financial instruments as hedging instruments wherever it is deemed appropriate to do so. The treasury function reports into the Chief Financial Officer and the Group’s Board of Directors and the Audit and Risk Committee, an independent function with a scope that includes monitoring the risks and policies implemented to mitigate risk exposures. Together these elements are collectively known as the Treasury Monitoring Committee (TMC).

The Group’s activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

34.3 Market risk

Market risk is the risk that changes in market prices will affect the value of the Group’s financial instruments. The market risks that the Group is exposed to have been identified as foreign currency risk through use of US dollar denominated borrowings and interest rate risk through the use of floating interest rate borrowings.

To manage its foreign currency risk the Group utilises cross currency swaps to mitigate the risk of currency exposures on US dollar denominated borrowings. The TMC has agree that the annual foreign exchange exposure of the Group arising from day-to-day transactions made in foreign currencies is not material to warrant entering into forward foreign exchange contracts to hedge.

To manage its interest rate risk the Group utilises interest rate swaps, including inflation-linked interest rate swaps, to mitigate the risk of movements of interest rates on floating interest rate borrowings.

34. Financial instruments - fair values and risk management (continued)

34.4 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
		As restated		*As restated*
	2026	*2025*	**2026**	*2025*
	£m	*£m*	**£m**	*£m*
US Dollar	**92.4**	*95.2*	**88.1**	*88.5*
Euro	**3.2**	*3.5*	**5.1**	*5.2*
Others	**-**	-	**0.2**	-
	95.6	*98.7*	**93.4**	*93.7*

Foreign currency exchange risk can be subdivided into two components, translation risk and transactional risk.

Translation risk
The Group translates overseas results and net assets in accordance with the accounting policy in note 5. Given the Group predominantly operates in the UK, there is a relatively small exposure with overseas entities accounting for only 0.1% (2025: 0.1%) of operating profit and 0.2% (2025: 0.2%) of total assets for the Group.

Transactional risk
The Group's policy is to hedge material transactional currency exposures via the use of forward foreign exchange contracts. The measurement and control of this risk is monitored on a Group–wide basis.

The Group holds cross currency swaps with a nominal value of USD118.0m (2025: USD118.0m) to fix the exchange rate to $1.241/£1 in relation to US dollar denominated senior notes totalling USD118.0m (2025: USD118.0m). This provides an effective economic hedge of the foreign currency impact on the sterling cost of future interest and capital repayment obligations.

After taking into account our hedging activities, management does not consider there to be a material residual exposure to exchange rates. Accordingly no sensitivity analysis has been presented.

Prior year restatement
Comparative disclosures have been restated to include the Group's USD-denominated senior notes and related cross-currency swaps, which were omitted in error from the prior year disclosures. The correction affects only the relevant financial instrument disclosures above and does not impact any other amounts or disclosures presented in these financial statements. The disclosures in the prior year presented US Dollar liabilities of £7.6m and US dollar assets of £0.9m.

34. Financial instruments - fair values and risk management (continued)

34.5 Interest rate risk management

The Group has variable rate bank and US private placement debt and uses interest rate swaps ('IRS') and inflation-linked swaps ('ILS') to hedge its exposure to rising interest rates. The Group maintains a hedging policy to manage interest rate risk and to ensure the certainty of future interest cash flows. The Group has fixed rate hedging, split between IRS and ILS. IRS convert variable rate interest costs to fixed rate interest costs at an average rate during the year of -3.8% (2025: -3.8%) while ILS convert fixed or variable rate interest costs to RPI-linked costs at an average rate during the year of 2.5% (2025: 2.2%), which fluctuate in line with the RPI index as do a portion of the Group's revenue contracts. These swaps are entered into on terms (including maturity) that mirror the debt instrument they hedge, and therefore act as an effective economic hedge.

As the Group uses hedging to maintain fixed interest rates on the majority of its material borrowings (excluding revolving facilities), there is minimal exposure on the interest expense to interest rate movements. A rise or fall in interest rates would therefore not materially impact the interest expense payable by the Group.

34.6 Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group carefully manages the counterparty credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions, which have credit ratings not lower than A - assigned by international credit rating agencies. The levels of credit risk are monitored through the Group's ongoing risk management processes, which include a regular review of counterparty credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

The Group is also exposed to credit risk on customer receivables, which is managed through credit checking procedures prior to taking on new customers and higher risk customers paying in advance of services being provided. Performance is closely monitored to ensure agreed service levels are maintained, reducing the level of queried payments and mitigating the risk of uncollectible debts. Expected impairment for trade receivables are calculated based on historical default rates. Details of this provision are shown in note 22.

34. Financial instruments - fair values and risk management (continued)

34.7 Liquidity risk management

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

30 June 2026	Carrying amount £m	Total £m	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Bank and other loans	1,344.6	1,354.8	82.5	352.7	879.6	40.0
Interest on bank and other loans	11.9	310.0	92.2	88.4	127.4	2.0
Finance lease liabilities	72.3	96.6	18.2	13.8	31.0	33.6
Trade and other liabilities	2,254.5	2,254.5	2,254.5	-	-	-
	3,683.3	4,015.9	2,447.4	454.9	1,038.0	75.6

34. Financial instruments - fair values and risk management (continued)

34.7 Liquidity risk management (continued)

30 June 2025 (restated)	Carrying amount £m	Total £m	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Bank and other loans	1,354.8	1,369.7	95.0	55.5	1,131.0	88.2
Interest on bank and other loans	13.2	270.1	80.9	74.5	108.6	6.1
Finance lease liabilities	76.4	118.5	21.8	18.2	37.7	40.8
Trade and other liabilities	2,074.4	2,074.4	2,074.4	-	-	-
	3,518.8	3,832.7	2,272.1	148.2	1,277.3	135.1

The difference in the carrying amount of bank and other loans and the ageing of its undiscounted cash flows relates to the amortisation of debt issue costs on related loans of £10.2m (2025: £14.9m).

The difference in the carrying amount of interest on bank and other loans and the ageing of its undiscounted cash flows relates to amounts of interest to be incurred in future periods of £298.1m (2025: £256.9m).

The difference in the carrying amount of finance lease liabilities and the ageing of its undiscounted cash flows relates to amounts of interest to be incurred in future periods of £24.3m (2025: £42.1m).

Prior year restatements
Comparative disclosures have been restated to include the Group's unamortised debt issue costs in the carrying amount of Bank and other loans, which were omitted in error from the prior year disclosures. The correction affects only the relevant financial instrument disclosures above and does not impact any other amounts or disclosures presented in these financial statements. The disclosures in the prior year presented the ageing as £95.0m due less than 1 year, £55.5m due between 1 - 2 years, £1,131.0m due between 2 - 5 years, and £73.3m due more than 5 years.

Comparative disclosures have been restated with regards to the ageing of its undiscounted cash flows relating to Finance lease liabilities, which were recorded discounted in error in the prior year disclosures. The correction affects only the relevant financial instrument disclosures above and does not impact any other amounts or disclosures presented in these financial statements. The disclosures in the prior year presented the ageing as £17.3m due less than 1 year, £10.6m due between 1 - 2 years, £11.6m due between 2 - 5 years, and £15.4m due more than 5 years.

Comparative disclosures for trade and other liabilities have been restated in line with the commentary in note 34.1.

34. Financial instruments - fair values and risk management (continued)

34.7 Liquidity risk management (continued)

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
30 June 2026				
Net settled:				
- interest rate swaps	(4.5)	(3.4)	(1.7)	-
- inflation linked interest rate swaps	116.9	-	-	-
- cross currency swaps	1.0	2.5	5.7	-
	113.4	(0.9)	4.0	-

	Less than 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
30 June 2025				
Net settled:				
- interest rate swaps	(2.1)	(1.5)	(4.5)	-
- inflation linked interest rate swaps	117.1	50.9	-	-
- cross currency swaps	1.2	1.2	8.8	2.3
	116.2	50.6	4.3	2.3

The difference between the carrying amount of interest rate swaps asset of £9.1m (2025: £13.4m) and its ageing profile balance of £9.6m (2025: £8.1m) arises entirely due to the effect of discounting.

The difference between the carrying amount of inflation linked interest rate swaps liabilities of £51.4m (2025: £123.6m) and its ageing profile balance of £116.9m (2025: £168.0m) arises entirely due to the effect of discounting.

The difference between the carrying amount of cross-currency swaps liabilities of £8.4m (2025: assets of £0.8m) and its ageing profile balance of £9.2m (2025: £13.4m) arises entirely due to the effect of discounting.

34. Financial instruments - fair values and risk management (continued)

34.7 Liquidity risk management (continued)

Financing facilities

	2026 £m	*2025 £m*
Secured loan facility:		
- amount used	**27.0**	*20.0*
- amount unused	**268.0**	*335.0*
	295.0	*355.0*

35. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Levels of debt are maintained on an ongoing basis to ensure that no breaches occur to our covenant levels and repayments can be and are made as necessary with refinancing carried out as required.

As at 30 June 2026, the Group had £772.3m (2025: £824.8m) of senior debt borrowings classified as non-current liabilities. These facilities include covenants which the Group must comply with throughout the term of the facilities.

The covenants include the following ratios that are assessed every 6 months:
• A minimum cash flow to interest ratio of 1.55x
• A minimum cash flow to debt service ratio of 1.05x
• A maximum net debt to EBITDA ratio of 6.0x

The Group has complied with these requirements throughout the year ended 30 June 2026.

36. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

36.1 Trading transactions

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sales of goods		Purchases of goods	
		As restated		*As restated*
	2026	*2025*	**2026**	*2025*
	£m	*£m*	**£m**	*£m*
Other group entities	**65.2**	*78.5*	**-**	*-*
Entities under common influence	**-**	*-*	**-**	*-*
Associates	**-**	*0.1*	**-**	*-*
Joint ventures	**5.6**	*5.5*	**2.8**	*2.0*
	70.8	*84.1*	**2.8**	*2.0*

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
		As restated		*As restated*
	2026	*2025*	**2026**	*2025*
	£m	*£m*	**£m**	*£m*
Other group entities	**37.3**	*35.0*	**2,155.1**	*1,963.2*
Entities under common influence	**-**	*-*	**-**	*-*
Associates	**-**	*-*	**-**	*-*
Joint ventures	**-**	*-*	**0.3**	*0.2*
	37.3	*35.0*	**2,155.4**	*1,963.4*

No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties. No guarantees have been given or received.

36. Related party transactions (continued)

36.1 Trading transactions (continued)

Prior year restatements

Comparative disclosures have been restated to remove transactions and balances with Anglian Water, which were included in error within related party disclosures in the prior year. Following the disposal by Canada Pension Plan ("CPP") of its shareholding in the Group in July 2022, Anglian Water no longer met the definition of a related party under IAS 24 and should not have been included in the Group's related party disclosures from FY24 onwards. The correction affects only the related party disclosures presented in this note and does not impact any other amounts or disclosures presented in these financial statements. Comparative disclosures have therefore been restated to remove sales of goods of £22.7m and amounts owed by related parties of £5.5m relating to entities under common influence that were included in error. Prior year disclosures presented £22.7m and £5.5m respectively.

Comparative disclosures for other group entities have been restated in line with the commentary in note 24.

37. Controlling parties

The Company's immediate parent is Arqiva Intermediate Limited ('AIL'). Copies of the AIL financial statements can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

The ultimate UK parent undertaking is Arqiva Group Limited ('AGL') which is the parent undertaking of the largest group to consolidate these financial statements. Copies of the AGL consolidated financial statements can be obtained from the Arqiva website www.arqiva.com or from Company Secretary of each Company at Crawley Court, Winchester, Hampshire, SO21 2QA.

AGL is owned by a consortium of shareholders. There is no single party, or group of parties acting in concert, that controls AGL and, consequently, AGL does not have an ultimate controlling party. Digital 9 Infrastructure plc (via D9 Wireless Opco 2 Limited) and Mendip Limited hold shareholdings that provide them with significant influence over AGL.

38. Notes supporting statement of cash flows

Group

	2026 £m	*2025 £m*
Cash at bank available on demand	**1.3**	*2.4*
Short-term deposits	**8.5**	*20.0*
Cash and cash equivalents	**9.8**	*22.4*

Significant non-cash transactions were as follows:

	2026 £m	*2025 £m*
Investing activities		
Non-current assets purchased but not yet paid at year end	**13.7**	*11.9*
Financing activities		
Effects of foreign exchange on liabilities	**(2.9)**	*7.3*
Changes in fair value of derivative financial instruments	**8.6**	*4.7*
Changes in fair value of financial assets at fair value through profit or loss	**(1.9)**	*-*
Other changes including accrued interest on liabilities	**(108.5)**	*(101.9)*

39. Commitments & contingent liabilities

Contingent liabilities
There is a contingent liability relating to Arqiva's Defined Benefit Pension Scheme as a result of a June 2023 High Court ruling in relation to Virgin Media's scheme. For further details see note 32.

Financing commitments
Under the terms of the Group's external debt facilities, the Group has provided security over substantially all of its assets by way of a Whole Business Securitisation 'WBS' structure.

Capital commitments
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as a liability total to £13.7m (2025: £10.3m). Commitments for the acquisition of other intangible assets contracted for at the reporting date but not recognised as a liability total to £nil (2025: £1.6m).

40. Events after the reporting date

On 10 September 2026 Polus acquired the 5.43% holdings of Trust Company Limited as custodian for Health Super Investments Pty Ltd in its capacity as trustee of FSS Infrastructure Trust.

41. Subsidiaries

Company

Following the prior year restatement described below, the carrying value of the Company's investments in subsidiaries is £nil (2025: £nil). The investments were fully impaired at 1 July 2024 and, accordingly, no impairment charge has been recognised in the current or prior year.

Prior year restatement
During the year, the Company identified that the historic impairment assessments of its investments in subsidiaries did not appropriately reflect amounts payable to other group entities when deriving the equity value attributable to the Company. This resulted in the value in use, and therefore the carrying value of the investments, being overstated. When amounts payable to other group entities are appropriately reflected, no residual value is attributable to the Company's investments in subsidiaries. The correction has been accounted for as a prior year opening balance restatement, reducing investments and increasing accumulated losses by £1,112.6m at 1 July 2024. The carrying value of the Company's investments in subsidiaries following the restatement is £nil. The correction has no impact on the consolidated financial statements or the Company's intercompany receivable and payable balances.

Details of the company's directly held subsidiaries as at 30 June 2026 are as follows:

Name	Country of incorporation	Class of shares	Holding
Arqiva Broadcast Finance plc	United Kingdom	Ordinary	100.0 %
Arqiva Financing No 2 Limited	United Kingdom	Ordinary	100.0 %

The registered office of each of the subsidiary companies listed above is Crawley Court, Winchester, Hampshire, SO21 2QA.

The financial year end of each of the subsidiary companies listed above is 30 June.

Details of the company's indirectly held subsidiaries as at 30 June 2026 are as follows:

Name	Country of incorporation	Class of shares	Holding
ABHL Digital Limited	United Kingdom	Ordinary	100.0 %
ABHL Digital Radio Limited	United Kingdom	Ordinary	100.0 %
ABHL Multiplex Limited	United Kingdom	Ordinary	100.0 %
Arqiva Muxco Limited	United Kingdom	Ordinary	100.0 %
Arqiva (Scotland) Limited	United Kingdom	Ordinary	100.0 %
Arqiva Broadcast Intermediate Limited	United Kingdom	Ordinary	100.0 %
Arqiva Communications Limited	United Kingdom	Ordinary	100.0 %
Arqiva Defined Benefit Pension Plan Trustees Limited	United Kingdom	Ordinary	100.0 %
Arqiva Financing No. 1 Limited	United Kingdom	Ordinary	100.0 %
Arqiva Financing Plc	United Kingdom	Ordinary	100.0 %
Arqiva Group Holdings Limited	United Kingdom	Ordinary	100.0 %
Arqiva Group Intermediate Limited	United Kingdom	Ordinary	100.0 %
Arqiva Group Parent Limited	United Kingdom	Ordinary	100.0 %
Arqiva Holdings Limited	United Kingdom	Ordinary	100.0 %
Arqiva Inc.	United States	Ordinary	100.0 %
Arqiva Limited	United Kingdom	Ordinary	100.0 %
Arqiva Limited (Irish Entity)	Ireland	Ordinary	100.0 %
Arqiva Media Limited	United Kingdom	Ordinary	100.0 %

Arqiva Mobile TV Limited	United Kingdom	Ordinary	100.0 %
Arqiva No. 10 Limited	United Kingdom	Ordinary	100.0 %
Arqiva No. 11 Limited	United Kingdom	Ordinary	100.0 %
Arqiva Pension Trust Limited	United Kingdom	Ordinary	100.0 %
Arqiva PP Financing Plc	United Kingdom	Ordinary	100.0 %
Arqiva Public Safety Limited	United Kingdom	Ordinary	100.0 %
Arqiva SAS	France	Ordinary	100.0 %
Arqiva Satellite Limited	United Kingdom	Ordinary	100.0 %
Arqiva Senior Finance Limited	United Kingdom	Ordinary	100.0 %
Arqiva SRL	Italy	Ordinary	100.0 %
Arqiva Telecoms Investment Limited	United Kingdom	Ordinary	100.0 %
Arqiva UK Broadcast Holdings Limited	United Kingdom	Ordinary	100.0 %
Capablue Limited	United Kingdom	Ordinary	100.0 %
Cast Communications Limited	United Kingdom	Ordinary	100.0 %
Connect TV (Scotland) Limited	United Kingdom	Ordinary	100.0 %
Connect TV Limited	United Kingdom	Ordinary	100.0 %
Digital One Limited	United Kingdom	Ordinary	100.0 %
Inmedia Communications (Holdings) Limited	United Kingdom	Ordinary	100.0 %
Inmedia Communications Group Limited	United Kingdom	Ordinary	100.0 %
Inmedia Communications Limited	United Kingdom	Ordinary	100.0 %
JFMG Limited	United Kingdom	Ordinary	100.0 %
Macropolitan Limited	United Kingdom	Ordinary	100.0 %
Now Digital (East Midlands) Limited	United Kingdom	Ordinary	80.0 %
Now Digital (Oxford) Limited	United Kingdom	Ordinary	100.0 %
Now Digital (Southern) Limited	United Kingdom	Ordinary	100.0 %
Now Digital Limited	United Kingdom	Ordinary	100.0 %
NWP Spectrum Holdings Limited	United Kingdom	Ordinary	100.0 %
Scanners (Europe) Limited	United Kingdom	Ordinary	100.0 %
Scanners Television Outside Broadcasts Limited	United Kingdom	Ordinary	100.0 %
Selective Media Limited	United Kingdom	Ordinary	100.0 %
South West Digital Radio Limited	United Kingdom	Ordinary	66.7 %
Spectrum Interactive (UK) Limited	United Kingdom	Ordinary	100.0 %
Spectrum Interactive Limited	United Kingdom	Ordinary	100.0 %

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

- Arqiva (Scotland) Limited - c/o Morton Fraser, Level 5, 9 Haymarket Square, Edinburgh, EH3 8RY, Scotland.
- Arqiva Inc. - c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE19801, United States of America.
- Arqiva Limited (Irish Entity) - 6 Floor, South Bank House, Barrow Street, Dublin 4, Dublin, Ireland.
- Arqiva SAS - 4 Rue Paul Dautier Batiment Energy 2, Velizy Villacoublay.
- Arqiva SRL - c/o Studio Bandini & Associati, Via Lima, Roma, 35-00198, Italy.
- Connect TV (Scotland) Limited - c/o Morton Fraser, Level 5, 9 Haymarket Square, Edinburgh, EH3 8RY, Scotland.

With the exception of Arqiva Pension Trust Limited which has a financial year end of 31 March, the financial year end of each of the subsidiary companies listed above is 30 June.