ARQIVA

Arqiva Limited

Registered number 02487597

Annual Report and Financial Statements

For the year ended 30 June 2026

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Corporate Information

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

Company website

www.arqiva.com

Registered Office

Crawley Court
Winchester
Hampshire
SO21 2QA

Independent Auditors

PricewaterhouseCoopers LLP
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

Company Registration Number

02487597

Cautionary Statement

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

Guidance note to the Annual Report and Financial Statements:

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

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 Company’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 £888 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.

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, and 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 in 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 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 outlining plans to overhaul the water system in England and Wales including the establishment of a new single

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

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 Group Limited) (the ultimate parent company of Arqiva Limited) 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. This transaction was for Arqiva Group Limited, the ultimate parent company of Arqiva Ltd.

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 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	668	-	668	591	-	591
EBITDA	256	(8)	248	280	(5)	275
Net impairment losses	-	(73)	(73)	-	-	-
Depreciation & Amortization	(135)	-	(135)	(124)	-	(124)
Other operating income	1	-	1	6	-	6
Operating Profit / (Loss)	122	(81)	41	162	(5)	157
Net finance income	387	-	387	342	-	342
Profit / (Loss) before tax	509	(81)	428	504	(5)	499
Taxation	(89)	2	(87)	(110)	1	(109)
Profit / (Loss) after tax	420	(79)	341	394	(4)	390

KPI: Revenue

Group revenue for the financial year increased by 13% to £668 million driven primarily by the mobilisation of AMP8 smart water metering programmes in Smart Utilities Networks.

- Media and Broadcast revenue increased by 5% year-on-year at £450 million (2025: £430 million). Core TV and radio transmission revenues remained resilient, supported by long-dated inflation-linked contracts and strong platform utilisation. Radio experienced growth driven by contract renewal recognition.

- 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 £256 million (2025: £280m), primarily driven by a provision recognised in our water contract portfolio. Underlying EBITDA would be largely unchanged year-on-year at £292 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 8% to £319 million (2025: £295 million), driven by the Company's long-term broadcast contracts, 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 8% to £43 million (2025: £40 million) as the Group continued its investment in cloud-based platforms, software capabilities and digital infrastructure.

- Underlying Operational costs increased by 19% to £25 million (2025: £21 million) reflecting wage inflation and a one-off lease adjustment, offset by higher utilisation of engineering teams and continued efficiency measures, including improved workflow automation.

- Underlying Corporate costs increased by 33% to £24 million (2025: £18 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 £248 million (2025: £275 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 £81 million comprising:

- Non-cash net impairment losses of £73 million reflecting updated assumptions regarding future cash flows for our SUN cash generating unit, consistent with current market conditions and recognised in accordance with IAS 36.
- £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 25% year-on-year to £122 million (2025: £162 million) reflecting the impact of the contract provision, higher depreciation and amortisation, and a £6 million loss on disposals of property, plant and equipment (2025: £nil).

Group depreciation and amortisation increased by 9% to £135 million (2025: £124 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 profit, after exceptional items, of £41 million (2025: operating profit of £157 million).

Net finance income

Net finance income increased by 13% to £387 million (2025: £342 million) driven primarily by the compounding effect of interest on intercompany loans owed to the company.

Profit before tax

The underlying profit before tax increased to £509 million (2025: £504 million), reflecting the increase in net intercompany loan interest income, partially offset by a decrease in underlying operating profit.

The reported total profit before tax for the year was £428 million, a decrease of £71 million compared to the prior period. This largely reflected the impact of higher exceptional items in the period.

Taxation

The Company recognised an underlying tax charge of £89 million during the year (2025: tax charge of £110 million), comprising a current tax charge of £129 million, and a deferred tax credit of £40 million. The credit principally reflects the origination and reversal of temporary differences recognised during the period.

The Group recognised an exceptional tax credit of £2 million (2025: tax credit £1 million). The reported tax charge for the year was £87 million (2025: tax charge £109 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.

Profit after tax

The underlying profit after tax was £420 million in the period (2025: £394 million), a £26 million year-on-year increase.

The reported total profit after tax was £341 million, an decrease of £49 million compared to the prior period reflecting the impact of post-tax exceptional items recognised in the period totalling £79 million (2025: £4 million). Excluding exceptional non-recurring items, 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 assets for the Group were £4,390 million as at 30 June 2026, an increase of 8% from £4,048 million as at 30 June 2025, largely reflecting the intercompany loan interest.

Going Concern

The Directors are confident that the Company has adequate resources to continue in operational existence for the 12 month period, posting signing of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

The Strategic report includes information on the structure of the business, the business environment, financial review for the year and uncertainties facing the Company, and financial risk management information. Notes 19, 20 and 21 of the financial statements include information on the Companies cash and liabilities respectively.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The parent Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including severe but plausible downside scenarios.

The Capital Structure Committee regularly reviews the debt position of the group to ensure it is appropriate and has concluded it has sufficient cash to service its debt structure obligations. The parent Group has provided a letter of support which confirms that Arqiva Group Limited will provide such financial assistance to all its wholly owned (directly and indirectly held) subsidiaries in order to meet liabilities as they fall due for a period of 12 months from the date of signing the 30 June 2026 financial statements.

The Company adopts the going concern basis in preparing its financial statements, based on the support from its ultimate parent undertaking, the future cash flow forecasts of the parent Group and Company and available facilities, which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence and continue to meet debt and interest payments as they fall due.

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	27 - 37
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Streamlined energy and carbon reporting	30 - 33
Climate-related financial disclosures	
Climate-related Financial Disclosures	27 – 37
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Non-financial KPI's

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 ga	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.

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 also considers the application of the Group's long term business plan and strategy. In FY26 this included overseeing renewal of material media and broadcast long-term contracts as well as considering and overseeing the implications of and response to the DCMS Green Paper: *Watch this Space: A New Strategic Direction*. The Board also received updates and reviewed operational performance and new opportunities in the Smart Utilities sector including around new product development (e.g. cloud playout and sensoring) designed to address challenges faced by both the media and broadcast and smart utilities sectors in the longer term.

The Board also oversaw 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 reporting on employee engagement, safety, and organisational performance, with a focus on maintaining high standards of integrity and operational resilience including operational updates both directly to the Board and to the Operational Resilience Committee.

The Board receives regular updates from the Regulatory & Strategy team and, in FY26, decisions taken by the Board included reviewing and approving annual certifications and reporting required by regulation and legislation. We have 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.

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

- Business Overview and Update [pages 6 - 13]
- Principal risks and uncertainties [pages 22 - 26]
- Wates Corporate Governance Statement [pages 47 - 51]
- Directors' Report [Page 52]

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. The Board also oversaw the review and approval of the updates to the employee Code of Conduct and the information segregation strategy required by regulation.

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

- Supporting our people & Employee Engagement. [pages 37 - 40]
- Health & Safety [pages 38 - 39]
- Wellbeing and Supporting Diversity & Inclusion [pages 39 - 40]
- Whistleblowing and speak up [page 41]
- Corporate Responsibility [pages 40 - 42]
- Wates Corporate Governance Statement [pages 47 - 51]

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 as well as material contract renewals. In FY26, this included approving material media and broadcast contract renewals and overseeing delivery performance related to contracts won in the Smart Utilities business as well as new product development designed to meet customer needs on an ongoing basis.

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 (approved by the Board on a regular basis) covering (amongst other things) anti-bribery and corruption, human rights and modern slavery and sustainability expectations.

As noted in consequences of decisions in the long term, the Board receives regular updates on engagement with regulators and industry bodies.

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 6 - 13]

- Supporting communities [page 37]
- Wates Corporate Governance Statement [pages 47 - 51]

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 27 - 37] and Streamlined Energy and Carbon Reporting (SECR) [pages 30 - 33]. 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 37].

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 [38 - 39]) 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 47 - 51]
- Health & Safety [page 38 - 39]
- Whistleblowing and speak up [page 41] and Non-financial KPIs include the number of reports related to whistleblower procedure all of which are reported to the Audit & Risk Committee [page 18]
- Modern Slavery Statement & Supplier Code of Conduct available at www.arqiva.com

6) Acting fairly between members

Arqiva Limited is a wholly owned subsidiary within the Arqiva Group. The Group Board acts in the interests of shareholders as a whole while balancing stakeholder considerations. Governance arrangements to support this include matters reserved for Group 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 47 - 51].

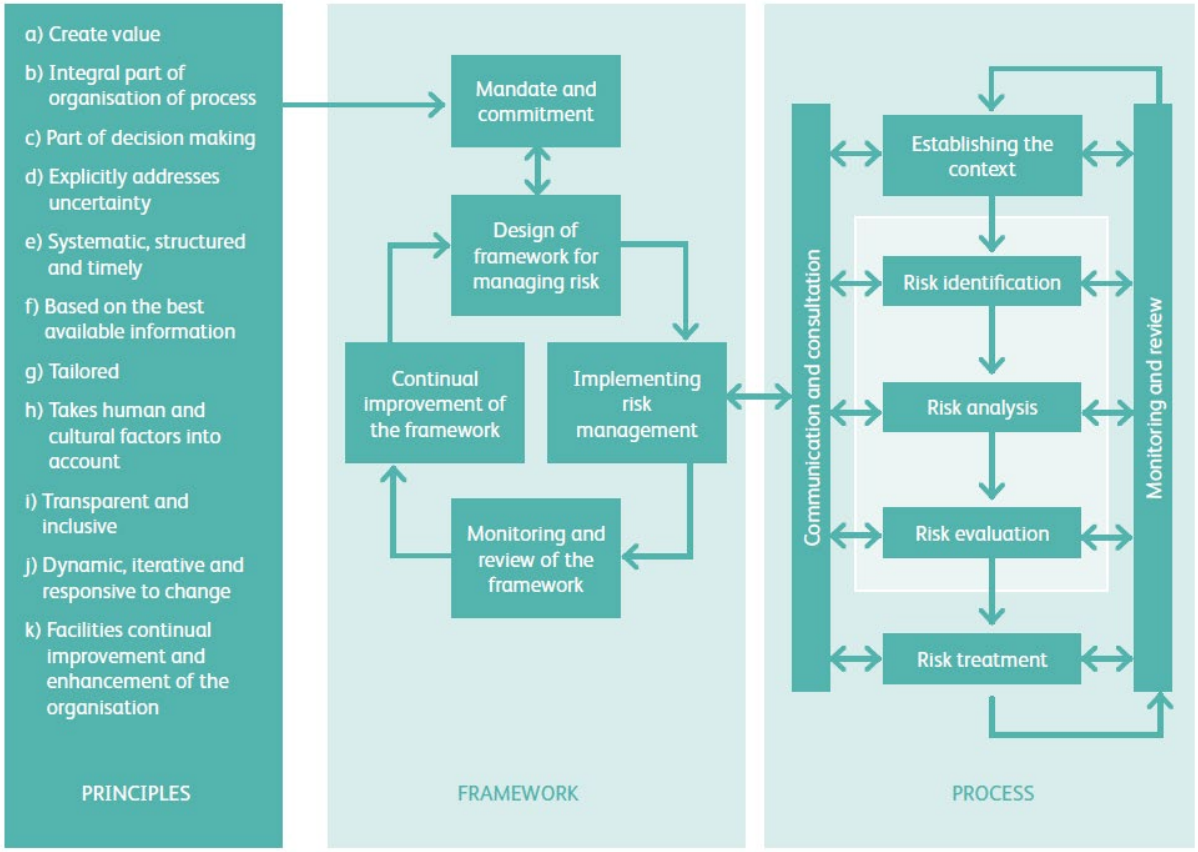
Principal Risks and Uncertainties

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 ISO31000.

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



The Executive Committee has responsibility for maintaining and updating their line of business risk register which includes utilising the standardised approach to risk assessment and risk monitoring. The Group's centralised Internal Audit and Risk function provides training and support to ensure risks are captured effectively and on a timely basis. The Internal Audit and Risk function works with the Chief Executive Officer to review and consolidate the most significant business risks into a corporate risk register for scrutiny at 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 Groups Health and Safety activities, refer to pages 38 - 39.

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 £292 million comprising £24 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 FY 25 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 1.5C above pre-industrial levels.

We have committed to near- and long-term carbon reduction targets that are aligned to the SBTi Net Zero Standard which were officially validated in July 2025. 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 30-33.

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 is presented for the Arqiva Group as a whole. Disaggregation at the individual entity level is not practicable due to the highly integrated nature of the Group's operations and the significant interdependencies between Group entities. 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 27 and 29 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)

http://www.arqiva.com/emissionsreport2025http://www.arqiva.com/carbonreportmethodology2025**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]	**1212**	**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 3935 items sent to our repair centre 3897 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 FY 27 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 36.

Managing Risks:

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

Our Enterprise Risk Management (ERM) process is used to record the impact of climate change risks and any associated mitigating actions, ensuring all risks are considered as part of business operations and decision making. Read more about Arqiva's risk management approach on pages 22 - 23.

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**	**3145**	**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 1,275 (2025: 1,307) 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 25 and our overall colleague engagement score was 73, an increase of one point since the previous survey in June 25.

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 45,001 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

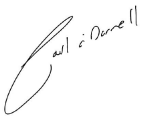
The Group's approach to tax is to ensure compliance with all legal and statutory obligations. The Group is committed to maintaining a transparent and constructive working relationship with HM Revenue & Customs and with local tax authorities in the jurisdictions in which we operate.

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
27 October 2026

Governance report

Board of Directors

Ownership

The Company is a wholly owned subsidiary of Arqiva Holdings Limited. The ultimate parent undertaking and controlling party is Arqiva Group Limited. The Group 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, 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.

Shuja Khan, Director

Shuja was appointed Chief Executive Officer and Director in June 2022. Prior to this, as Arqiva's Chief Commercial Officer since January 2020, he was responsible for all revenue generating activities including strategy, regulatory affairs, product development and customer experience and at the heart of the development of Arqiva's 10-year strategic plan, vision and purpose.

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

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

Alastair Cochran, Director

Alastair was appointed as Arqiva's Chief Financial Officer and Director in September 2025 and has over 30 years' experience in finance. Alastair (better known as Al) was previously Chief Financial Officer and Interim Co-CEO at Thames Water and Chief Financial Officer at Petrofac where he led the finance, commercial and digital functions. Prior to this, Al was at BG Group where he was responsible for M&A, treasury, corporate finance, global strategy, and business development. In all these roles, Al has been accountable for defining and delivering transformation strategies, financing growth, sustainability and unlocking value for all stakeholders.

A fellow of the Institute of Chartered Accountants in England and Wales, he started his career with KPMG before enjoying a successful career in investment banking with Barclays de Zoete Wedd, Credit Suisse First

Boston and Morgan Stanley. He believes passionately in driving performance and creating value through purpose, partnership, and innovation.

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 Limited, registered company number 02487597, (the "Company") submit the annual report and audited financial statements ("the financial statements") in respect of the year ended 30 June 2026.

The principal activity of the Company is the provision and operation of communications infrastructure, broadcast transmission, media services and smart utility network solutions, together with related engineering and support services.

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 implementation of 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 19 - 21).

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 19 - 21), Supporting our People and Supporting Diversity & Inclusion (pages 37 - 40).

Sustainability is built into Group activities and the Group has joined the United Nations Global Compact as a demonstration of its commitment to responsible corporate citizenship – for more detail see Corporate Responsibility – Sustainability (page 27). The Board is responsible for operational implementation of the Compact.

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 43 to 46) 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 of the operating companies 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 and operational items.

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 43 - 46 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 operating 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, operational performance of utilities' contracts 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 22 - 26] 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; pensions 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 19 to 21). The Group's Corporate Responsibility statement (pages 27 - 42) 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 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 Company have not recommended a dividend in the year (2025: £nil).

The profit for the year of £341 million (2025: profit of £390 million) was transferred to reserves.

Company's Board of Directors

The directors and company secretary who served during the year are disclosed in the Governance report on pages 43 - 51.

Statement of engagement with employees

The directors have promoted the information in this statement to the Stakeholder Engagement and Section 172 statement on pages 19 – 21 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 37 - 40.

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 19 - 21.

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 47 – 51 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

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

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

On behalf of the Board



Paul O'Donnell
Director
27 October 2026

Independent auditors' report to the members of Arqiva Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arqiva Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

- the Statement of financial position as at 30 June 2026;
- the Income statement for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Our evaluation of the directors' assessment of 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 sensitivities 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 scenarios; and
- Assessing the adequacy of disclosures in the Going Concern statement and in Note 2.4 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there

is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the 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 company and its 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the 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 EBITDA is a key metric for the Company's stakeholders, and it is considered that the most likely risk of management manipulation of this metric is through the posting of manual journals and management bias in significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- 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);
- As required by ISA 240, incorporating an element of unpredictability into our audit testing.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 £m	*2025 £m*
Turnover	4	**667.5**	*590.9*
Cost of sales		**(306.6)**	*(220.5)*
Gross profit		**360.9**	*370.4*
Administrative expenses		**(239.7)**	*(214.8)*
Exceptional operating expenses	5	**(80.6)**	*(4.6)*
Other operating income/(expenses)	6	**0.8**	*5.8*
Operating profit	7	**41.4**	*156.8*
Finance income	11	**575.3**	*507.3*
Finance expenses	12	**(188.8)**	*(165.5)*
Profit before tax		**427.9**	*498.6*
Tax on profit	13	**(86.7)**	*(109.0)*
Profit for the financial year		**341.2**	*389.6*

The notes on pages 64 to 106 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 £m	*2025 £m*
Profit for the financial year		**341.2**	*389.6*
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit schemes	30	**-**	*(0.2)*
Movement of deferred tax relating to pension deficit	13	**-**	*0.1*
Total other comprehensive expense for the year, net of tax		**-**	*(0.1)*
Total comprehensive income for the year		**341.2**	*389.5*

The notes on pages 64 to 106 form part of these financial statements.

ARQIVA LIMITED
REGISTERED NUMBER: 02487597

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 £m	2026 £m	*As restated 2025 £m*	*As restated 2025 £m*
Fixed assets					
Goodwill	14		**43.5**		*43.5*
Intangible assets	15		**37.6**		*67.9*
Tangible fixed assets	16		**888.0**		*992.0*
Fixed asset investments	17		**67.0**		*66.5*
			1,036.1		*1,169.9*
Current assets					
Debtors: amounts falling due after more than one year	18	**6,098.3**		*5,402.7*	
Debtors: amounts falling due within one year	18	**147.1**		*150.3*	
Cash and cash equivalents	19	**8.1**		*20.9*	
		6,253.5		*5,573.9*	
Creditors: amounts falling due within one year	20	**(2,469.5)**		*(2,271.9)*	
Net current assets			**3,784.0**		*3,302.0*
Total assets less current liabilities			**4,820.1**		*4,471.9*
Creditors: amounts falling due after more than one year	21		**(289.0)**		*(325.3)*
			4,531.1		*4,146.6*
Provisions for liabilities					
Other provisions	25	**(147.8)**		*(105.2)*	
			(147.8)		*(105.2)*
Pension asset			**6.2**		*6.9*
Net assets			**4,389.5**		*4,048.3*

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

	Note	2026 £m	2026 £m	*As restated 2025 £m*	*As restated 2025 £m*
Capital and reserves					
Called up share capital	26		**30.0**		*30.0*
Share premium account	27		**90.8**		*90.8*
Capital redemption reserve	27		**13.4**		*13.4*
Other reserves	27		**(4.5)**		*(4.5)*
Profit and loss account	27		**4,259.8**		*3,918.6*
Total equity			**4,389.5**		*4,048.3*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 October 2026.



Paul O'Donnell
Director

The notes on pages 64 to 106 form part of these financial statements.

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

	Called up share capital	Share premium account	Capital reserves	Other reserves	Profit and loss account	Total equity
	£m	£m	£m	£m	£m	£m
At 1 July 2024	**30.0**	**90.8**	**13.4**	**(4.5)**	**3,529.1**	**3,658.8**
Profit for the year	-	-	-	-	**389.6**	**389.6**
Actuarial losses on pension scheme	-	-	-	-	**(0.1)**	**(0.1)**
Total comprehensive income for the year	-	-	-	-	**389.5**	**389.5**
At 1 July 2025	**30.0**	**90.8**	**13.4**	**(4.5)**	**3,918.6**	**4,048.3**
Profit for the year	-	-	-	-	**341.2**	**341.2**
Total comprehensive income for the year	-	-	-	-	**341.2**	**341.2**
At 30 June 2026	**30.0**	**90.8**	**13.4**	**(4.5)**	**4,259.8**	**4,389.5**

The notes on pages 64 to 106 form part of these financial statements.

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

1. General information

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

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

2. Summary of material accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Arqiva Group Limited as at 30 June 2026 and these financial statements may be obtained from the Group's registered office.

2. Summary of material accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

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

2.4 Going concern

The Strategic report includes information on the structure of the business, the business environment, financial review for the year and uncertainties facing the Company. In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including any severe but plausible scenarios with appropriate mitigations considered.

The Group has provided a letter of support which confirms that Arqiva Group Limited will provide such financial assistance to all its wholly owned (directly and indirectly held) subsidiaries in order to meet their own liabilities as they fall due for a period of 12 months from the date of signing the 30 June 2026 financial statements.

The Company adopts the going concern basis in preparing its financial statements, based on the support from its ultimate parent undertaking, the future cash flow forecasts of the Group and Company and available facilities, which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence and continue to meet debt and interest payments as they fall due.

2.5 Impact of new international reporting standards, amendments and interpretations

New and amended standards adopted by the Company

Amendment to IAS 21 - Lack of exchangeability
The amendment listed above did not have any material impact on the amounts recognised in prior years and is not expected to have a material impact on current or future periods.

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

- Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7 - Power purchase arrangements
- Amendments to IAS 21 - Translation to a hyperinflationary presentation currency
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The new and revised standards not yet effective are not expected to have a material impact on the Company except for IFRS 18 which is expected to have a material impact that management is still quantifying.

2. Summary of material accounting policies (continued)

2.6 Revenue recognition

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

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

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

Cash received or invoices raised in advance are taken to deferred revenue and recognised as contract liabilities, and subsequently recognised as revenue when the services are provided. Where consideration received in advance is discounted, reflecting a significant financing component, it is reflected within revenue and interest payable and similar charges on a gross basis. Revenue recognised in advance of cash being received or an invoice being raised is recognised as accrued revenue within contract assets and subsequently reclassified to receivables when the right to consideration is unconditional. Invoices are issued in line with contract terms.

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

The Company does not have any material obligations in respect of returns, refunds or warranties.
The following summarises the performance obligations we have identified, and provides information on the timing of when they are satisfied and the related revenue recognition policy. The revenue expected to be recognised in future periods for contracts in place at 30 June 2026 that contain unsatisfied performance obligations is included in note 21.

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.

2. Summary of material accounting policies (continued)

2.6 Revenue recognition (continued)

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

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

Delivery of engineering projects
The Company provides support to its customers by undertaking various engineering projects. Contracts for the delivery of engineering projects are split into specific performance obligations. Performance obligations relating to services are satisfied over the time period that services are delivered, performance obligations relating to the provision of assets are satisfied at the point in time that control passes to the customer. Revenue from such projects, which are long-term (greater than 12 months) contractual arrangements, is recognised based on satisfaction of the identified performance obligations using the percentage of completion method.

The stage of completion is based on portion of costs incurred as a percentage of total costs. Profit is recognised, if the final outcome can be assessed with reasonable certainty, by including revenue and related costs in the Income Statement as contract activity progresses.

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

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

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

2. Summary of material accounting policies (continued)

2.7 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.

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Statement of financial position and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented in other income as part of the profit or loss in the periods in which the expenditure is recognised.

2.8 Exceptional items

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 Company’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 Company’s underlying operating activities.

2.9 Current and deferred taxation

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

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

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

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

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

2. Summary of material accounting policies (continued)

2.10 Finance income

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

2.11 Finance expenses

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

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Summary of material accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

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

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

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

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

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

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

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

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

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

2. Summary of material accounting policies (continued)

2.14 Goodwill

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

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

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

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss.

2. Summary of material accounting policies (continued)

2.15 Intangible assets

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

The estimated useful lives range as follows:

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

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.

2. Summary of material accounting policies (continued)

2.16 Tangible fixed assets

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

Land is not depreciated. Assets under construction are not depreciated until they are completed, at which point they are transferred to their appropriate categorisation and depreciated in line with the relevant methodology. Depreciation on other assets is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

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

Communications infrastructure network assets, network computer equipment assets, and motor vehicles assets are included within plant and machinery in note 16.

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

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

2. Summary of material accounting policies (continued)

2.17 Impairment of tangible and intangible assets including goodwill and CGUs

At the end of each reporting period, the Company 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 Company 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.

2.18 Leases

The Company as a lessee

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

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

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

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

2. Summary of material accounting policies (continued)

2.18 Leases (continued)

The lease liability is included in 'Creditors' on the 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 Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

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

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

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

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

The right-of-use assets are included in the 'Tangible Fixed Assets' line in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.16.

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

2. Summary of material accounting policies (continued)

2.19 Investments in subsidiaries

Investments in subsidiaries are initially recognised at cost and subsequently measured at cost less accumulated impairment losses.

The carrying amount of each investment is reviewed at each reporting date to determine whether there is any indication of impairment. Where an indication of impairment exists, the Company estimates the investment's recoverable amount, being the higher of its fair value less costs of disposal and its value in use. In assessing recoverability, management considers relevant factors including the underlying net assets, current and forecast financial performance and expected future cash flows. Where the recoverable amount is lower than the carrying amount of the investment, the difference is recognised as an impairment loss in profit or loss.

Investments in insurance captive arrangements are measured at fair value through profit or loss.

2.20 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.21 Cash and cash equivalents

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

2.22 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Provisions for liabilities

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

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

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

The Company 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.

2. Summary of material accounting policies (continued)

2.24 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these judgements, estimates and assumptions. The judgements, estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised.

Key estimates and assumptions

Impairment of goodwill, intangible assets and tangible fixed assets
The carrying amount of the Company's goodwill, intangible assets, and tangible fixed assets as well as the Company's investments are reviewed at each statement of financial position date to determine whether there is any indication of impairment, in compliance with the Company's accounting policies.

Actuarial assumptions used to determine the carrying amount of defined benefit plan liabilities
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 30.

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 Company 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 Company manages its property, plant and equipment on a portfolio basis through a central estates team. This team contains qualified surveyors who have a wealth of experience working for the Company and within the industry as a whole. The carrying values of intangibles are disclosed in note 15, and those for property, plant and equipment are disclosed in note 16.

3. Judgements in applying accounting policies (continued)

Key estimates and assumptions (continued)

Provisions
Estimates have been made in respect of the probable future obligations of the Company. These estimates are reviewed annually to reflect current economic conditions and strategic plans. 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 25).

The Company 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 25.

4. Turnover

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

	2026 £m	*2025 £m*
Rendering of services	**590.8**	*545.3*
Sale of goods	**76.7**	*45.6*
	667.5	*590.9*

All turnover arose within the United Kingdom.

5. 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*
Impairment charges	**73.0**	-
	80.6	*4.6*

Reorganisation and severance
During the year, the Company commenced a significant transformation programme designed to support the Company'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 Company'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 Company'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 Company and have been disclosed separately to assist users' understanding of the Company'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 has been agreed that the members will receive a proportion of any residual net surplus, up to a maximum of £2.0m, with the remainder of the surplus being returned to the Company. Any surplus funds made available to members will be used to provide enhanced pensions.

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

5. Exceptional operating expenses (continued)

Bilsdale – Project Restore (continued)
To date the Company 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.

Impairment charges
During the period the Company recognised impairment charges to Intangible assets and Tangible fixed assets as disclosed in notes 15 and 16 respectively.

6. Other operating income/(expenses)

	2026 £m	*2025 £m*
Government grants receivable	**5.6**	*5.8*
Insurance claims receivable	**0.8**	*-*
Loss on disposal of tangible assets	**(5.6)**	*-*
	0.8	*5.8*

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 Company presents this income separately from revenue.

7. Operating profit

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

	2026 £m	*2025 £m*
Management recharge to fellow group undertakings	**(10.8)**	*(12.4)*
Depreciation of tangible fixed assets	**113.0**	*110.2*
Impairment of tangible fixed assets	**52.6**	*-*
Amortisation of intangible assets	**21.9**	*13.8*
Impairment of intangible assets	**20.4**	*-*
Defined contribution pension cost	**7.2**	*6.6*

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

8. Auditors' remuneration

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

Additional fees payable to the Company's auditors and their associates totalling £0.5m (2025: £0.6m) are in relation to the audits of other group companies and these amounts were not recharged.

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

9. Employees

Staff costs were as follows:

	2026 £m	*2025 £m*
Wages and salaries	**94.1**	*94.8*
Social security costs	**11.9**	*10.4*
Cost of defined contribution scheme	**7.2**	*6.6*
	113.2	*111.8*

During the period the Company capitalised £23.3m (2025: £23.4m) of the above staff costs leaving a residual £89.9m (2025: £88.4m) being recognised in the Income Statement.

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

	2026 No.	*2025 No.*
Media & Broadcast	**43.0**	*45.0*
Smart Utilities Networks	**39.0**	*37.0*
Operations	**542.0**	*563.0*
Technology	**477.0**	*477.0*
Corporate	**174.0**	*185.0*
	1,275.0	*1,307.0*

10. Directors' remuneration

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

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

	2026 £m	*2025 £m*
Directors' emoluments	**1.9**	*1.8*
Amounts receivable under long-term incentive schemes	**-**	*0.5*
Company contributions to money purchase pension schemes	**-**	*-*
	1.9	*2.3*

During the year retirement benefits were accruing to 2 directors (2025: 3) in respect of defined contribution pension schemes.

The highest paid director received aggregate remuneration of £1.1m (2025: £1.5m).

11. Finance income

	2026 £m	*2025 £m*
Interest receivable from group undertakings	**574.1**	*505.5*
Other interest receivable	**1.2**	*1.8*
	575.3	*507.3*

Other interest receivable comprises of £0.4m (2025: £0.5m) in relation to net finance income on the defined benefit pension scheme, and £0.8m (2025: £1.3m) interest earned on bank deposits.

12. Finance expense

	2026 £m	*2025 £m*
Other loan interest payable	**16.0**	*15.3*
Interest payable to group undertakings	**153.9**	*140.7*
Unwinding of discount on provisions	**9.8**	*5.7*
Interest on lease liabilities	**9.1**	*3.8*
	188.8	*165.5*

13. Tax on profit

	2026 £m	*2025 £m*
Corporation tax		
Current tax on profits for the year	**126.9**	*110.6*
Adjustments in respect of previous periods	**0.2**	*3.6*
Total current tax	**127.1**	*114.2*
Deferred tax		
Origination and reversal of timing differences	**(40.0)**	*(2.6)*
Adjustments in respect of previous periods	**(0.4)**	*(2.6)*
Total deferred tax	**(40.4)**	*(5.2)*
Tax on profit	**86.7**	*109.0*

13. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2025 - lower than)* the standard rate of corporation tax in the UK of 25% *(2025 - 25%)*. The differences are explained below:

	2026 £m	*2025 £m*
Profit before tax	**427.9**	*498.6*
Profit multiplied by standard rate of corporation tax in the UK of 25% (2025 - 25%)	**107.0**	*124.6*
Effects of:		
Expenses not deductible for tax purposes	**0.8**	*0.8*
Deemed interest on inter-company balances (a)	**(20.9)**	*(17.4)*
Adjustments in respect of previous periods	**(0.2)**	*1.0*
Total tax charge for the year	**86.7**	*109.0*

The current UK corporation tax charge (2025: charge) represents the payment made to (2025: payments made to) group undertakings for the provision of tax losses by way of group relief.

a) Deemed interest expense in respect of inter-company debt, deductible for corporation tax purposes.

Tax in the Statement of Comprehensive Income

There is a tax credit of £nil (2025: £0.1m) in respect of the actuarial loss of £nil (2025: £0.2m) in the Statement of Comprehensive Income.

Factors that may affect future tax charges

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%; the implications of this upon the Company is set out in the Arqiva Group Limited consolidated financial statements. The Company has applied the temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

14. Goodwill

	Total £m
Cost	
At 1 July 2025	**43.5**
At 30 June 2026	**43.5**
Net book value	
At 30 June 2026	**43.5**
At 30 June 2025	*43.5*

The goodwill balance represents goodwill recognised on historic acquisitions and business combinations undertaken by the Company. The balance arose where the consideration paid exceeded the fair value of the identifiable net assets acquired at the acquisition date and was recognised in the Company's own financial statements. The goodwill primarily relates to transactions completed in previous years and there have been no additions or disposals during the current or prior year.

15. Intangible assets

	Development expenditure £m	Licencing rights £m	Computer software £m	Assets under construction £m	Total £m
Cost					
At 1 July 2025	**18.7**	**8.9**	**129.7**	**-**	**157.3**
Additions	**-**	**-**	**-**	**10.2**	**10.2**
Transfers to Tangible fixed assets	**-**	**-**	**-**	**(10.2)**	**(10.2)**
Completion of AUC	**2.2**	**-**	**9.8**	**-**	**12.0**
At 30 June 2026	**20.9**	**8.9**	**139.5**	**-**	**169.3**
Accumulated amortisation and impairment					
At 1 July 2025	**13.2**	**8.3**	**67.9**	**-**	**89.4**
Charge for the year	**1.4**	**0.2**	**20.3**	**-**	**21.9**
Impairment charge	**1.5**	**0.4**	**18.5**	**-**	**20.4**
At 30 June 2026	**16.1**	**8.9**	**106.7**	**-**	**131.7**
Net book value					
At 30 June 2026	**4.8**	**-**	**32.8**	**-**	**37.6**
At 30 June 2025	*5.5*	*0.6*	*61.8*	*-*	*67.9*

Development costs in respect of products and services that are being developed by the Company are being capitalised in accordance with IAS 38. These are amortised over their expected useful life once the product or service has been commercially launched.

During the period, the Company 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. There is no impact on total intangible assets or the Company's results.

16. Tangible fixed assets

	Freehold property £m	Long-term leasehold property £m	Plant and machinery £m	Assets under construction £m	Total £m
Cost or valuation					
At 1 July 2025 (as previously stated)	**192.9**	**145.4**	**1,852.4**	**91.1**	**2,281.8**
Prior Year Adjustment	**-**	**(17.2)**	**16.3**	**-**	**(0.9)**
At 1 July 2025 (as restated)	**192.9**	**128.2**	**1,868.7**	**91.1**	**2,280.9**
Additions	**-**	**5.5**	**10.3**	**65.1**	**80.9**
Transfers to Intangible assets	**-**	**-**	**-**	**(11.8)**	**(11.8)**
Disposals	**(2.0)**	**(10.3)**	**(59.3)**	**-**	**(71.6)**
Adjustments for provisions	**-**	**-**	**1.5**	**-**	**1.5**
Completion of Assets under construction	**2.5**	**0.5**	**46.9**	**(49.9)**	**-**
At 30 June 2026	**193.4**	**123.9**	**1,868.1**	**94.5**	**2,279.9**
Accumulated depreciation and impairment					
At 1 July 2025 (as previously stated)	**52.1**	**94.5**	**1,164.7**	**-**	**1,311.3**
Prior Year Adjustment	**-**	**(17.2)**	**(5.2)**	**-**	**(22.4)**
At 1 July 2025 (as restated)	**52.1**	**77.3**	**1,159.5**	**-**	**1,288.9**
Charge for the year on owned assets	**5.4**	**3.3**	**89.0**	**-**	**97.7**
Charge for the year on right-of-use assets	**-**	**7.5**	**7.8**	**-**	**15.3**
Disposals	**-**	**(7.4)**	**(55.2)**	**-**	**(62.6)**
Impairment charge	**0.4**	**-**	**52.2**	**-**	**52.6**
At 30 June 2026	**57.9**	**80.7**	**1,253.3**	**-**	**1,391.9**
Net book value					
At 30 June 2026	**135.5**	**43.2**	**614.8**	**94.5**	**888.0**
At 30 June 2025 (as restated)	*140.8*	*50.9*	*709.2*	*91.1*	*992.0*

16. Tangible fixed assets (continued)

Freehold land included above but not depreciated amounts to £67.7m (2025: £67.9m).

Prior year restatements
During the year, the Company 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. This restatement is in relation to £18.5m of the £16.3m adjustment to property, plant and equipment cost and to £(3.0)m of the £(5.2)m adjustment to property, plant and equipment depreciation. This restatement had a total impact on property, plant and equipment of £21.5m, the other side of this adjustment is to lease liabilities where lease liabilities due within one year were restated from £15.1m to £16.3m and lease liabilities due after more than one year were restated from £36.5m to £56.8m.

During the year, the Company completed a review of historic IFRS 16 right-of-use asset records included within tangible fixed assets. The review identified 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 period 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 £(17.2)m adjustment to long-term leasehold property cost and depreciation and £(2.2)m of the £16.3m adjustment to property, plant and equipment cost and of the £(5.2)m adjustment to property, plant and equipment depreciation.

Assets held under leases

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

	2026	*As restated 2025*
	£m	*£m*
Tangible fixed assets owned	**825.0**	*927.0*
Right-of-use tangible fixed assets	**63.0**	*65.0*
	888.0	*992.0*

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

Net book value

	2026	*As restated 2025*
	£m	*£m*
Long-term leasehold property	**31.5**	*35.6*
Plant and machinery	**31.5**	*29.4*
	63.0	*65.0*

16. Tangible fixed assets (continued)

Depreciation charge for the year ended

	2026 £m	*As restated 2025 £m*
Long-term leasehold property	**7.5**	*9.4*
Plant and machinery	**7.8**	*7.8*
	15.3	*17.2*

Additions to right-of-use assets

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

17. Fixed asset investments

	Investments in subsidiary companies £m
Cost or valuation	
At 1 July 2025	**122.7**
Additions	**0.5**
At 30 June 2026	**123.2**
Accumulated impairment	
At 1 July 2025	**56.2**
At 30 June 2026	**56.2**
Net book value	
At 30 June 2026	**67.0**
At 30 June 2025	*66.5*

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

Impairments recognised relate to investments held by the Company in other group undertakings which are now dormant. The impairments were identified following an assessment of recoverability by management when considering future cashflows and the value of assets held in subsidiaries.

A full list of the Company's subsidiaries, joint ventures and associates can be found in note 35.

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

18. Debtors

		2026 £m	*2025 £m*
Due after more than one year			
Amounts owed by group undertakings		**5,867.0**	*5,211.8*
Deferred tax asset	24	**231.3**	*190.9*
		6,098.3	*5,402.7*

	2026 £m	*2025 £m*
Due within one year		
Trade debtors	**42.6**	*51.5*
Amounts owed by group undertakings	**63.8**	*55.2*
Other debtors	**5.1**	*4.9*
Prepayments and accrued income	**25.0**	*29.8*
Contract assets	**10.6**	*8.9*
	147.1	*150.3*

Amounts owed by group undertakings are unsecured and repayable on demand. Within amounts owed by group undertakings due after more than one year, interest has been charged on £6,498.4m (2025: £5,729.2m) at 9.5% in relation to structured loan balances with Arqiva Financing No1 Ltd. Balances with the same group undertaking of £653.8m (2025: £539.4m), not related to structured loans, are interest free and reduce amounts owed to group undertakings to £5,844.6m (2025: £5,189.8m). Balances with other group undertakings of £22.4m (2025: £22.0m) are interest free. The balance of amounts owed by group undertakings due within one year of £63.8m (2025: £52.5m) are interest free and are in relation to trading and working capital loan balances. Amounts owed by group undertaking are stated after deducting allowances for impairment of £7.7m (2025: £7.7m).

Trade debtors are stated after provisions for credit losses of £4.7m (2025: £5.7m).

The Company has recognised an impairment of a contract asset of £4.8m (2025: £nil) arising under the same contractual arrangement for which a contract provision has been recorded, see details in note 25. 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.

19. Cash and cash equivalents

	2026 £m	*2025 £m*
Cash at bank and in hand	**8.1**	*20.9*
	8.1	*20.9*

20. Creditors: Amounts falling due within one year

		2026 £m	*As restated 2025 £m*
Trade creditors		**45.0**	*54.5*
Amounts owed to group undertakings		**2,229.1**	*2,042.8*
Other taxation and social security		**21.6**	*25.5*
Lease liabilities	23	**14.2**	*16.3*
Other creditors		**3.7**	*2.9*
Accruals and deferred income		**48.9**	*45.5*
Contract liabilities	22	**107.0**	*84.4*
		2,469.5	*2,271.9*

Within amounts owed to group undertakings, interest has been charged on £1,859.6m (2025: £1,554.7m) at 9.5%. Amounts owed to other group undertakings of £369.5m (2025: £488.1m) are unsecured, interest free, and are repayable on demand.

Prior year restatement
The prior year amounts for lease liabilities have been restated, for details of this restatement see note 16.

21. Creditors: Amounts falling due after more than one year

		2026 £m	*As restated 2025 £m*
Loans from group undertakings		**5.3**	*5.3*
Lease liabilities	23	**57.1**	*56.8*
Contract liabilities	22	**226.6**	*263.2*
		289.0	*325.3*

Prior year restatement
The prior year amounts for lease liabilities have been restated, for details of this restatement please see note 16.

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

	2026 £m	*2025 £m*
Loans from group undertakings		
Repayable other than by instalments	**5.3**	*5.3*
Total amounts due after more than five years	**5.3**	*5.3*

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

22. Contract liabilities

Prior year contract liabilities of £108.4m (2025 restated: £98.7m) were realised as revenue during the year. Other than business-as-usual movements there were no significant changes in contract liability balances during the year.

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 £61.5m.

23. Lease liabilities

Company as a lessee

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

Lease liabilities are due as follows:

	2026 £m	*As restated 2025 £m*
Not later than one year	**14.2**	*16.3*
Between one year and five years	**40.2**	*42.9*
Later than five years	**16.9**	*13.9*
	71.3	*73.1*

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

	2026 £m	*2025 £m*
Interest expense on lease liabilities	**9.1**	*3.8*
Variable lease payments not included in the measurement of lease liabilities	**2.2**	*2.5*

24. Deferred taxation

	2026 £m
At beginning of year	**190.9**
Credited to profit or loss	**40.4**
At end of year	**231.3**

The deferred tax asset is made up as follows:

	2026 £m	*2025* *£m*
Fixed assets temporary differences	**179.9**	*142.0*
Other temporary differences	**52.9**	*50.6*
Defined benefit pension scheme	**(1.5)**	*(1.7)*
	231.3	*190.9*

Other temporary differences are comprised primarily of timing differences relating to deferred income and provisions that are tax deductible as utilised. Other temporary differences arising in connection with unremitted earnings of overseas subsidiaries and interests in associates are insignificant.

Deferred tax assets are not recognised unless it is probable that there are sufficient taxable profits against which they will be realised. The Company continues to recognise the deferred tax asset based on forecast taxable profits that will arise based upon the long-term forecast results prepared for the Company. Due to the long-term stable nature of the business, with significant long term contracts, the recognised deferred tax asset is not considered to be materially exposed to the performance of the Company based on reasonably possible trading forecasts.

25. Other provisions

	Decommissioning £m	Contract provision £m	Remediation £m	Other £m	Total £m
At 1 July 2025	**95.4**	**-**	**2.6**	**7.2**	**105.2**
Charged to profit and loss	**0.3**	**31.3**	**1.3**	**0.8**	**33.7**
Revaluation through Tangible fixed assets	**1.5**	**-**	**-**	**-**	**1.5**
Unwind of discount	**8.0**	**-**	**1.8**	**-**	**9.8**
Utilised in year	**(0.2)**	**-**	**(2.2)**	**-**	**(2.4)**
Reclassification	**(7.3)**	**-**	**7.3**	**-**	**-**
At 30 June 2026	**97.7**	**31.3**	**10.8**	**8.0**	**147.8**

Provisions are made for decommissioning costs where the Company 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 weighted average cost of capital. This year we have an increase in tangible fixed assets of £1.5m (2025: £18.6m) as disclosed in note 16. This increase is due to a combination of the discount rate decrease (2025: increase) and an increase in budgeted costs to decommission a number of our sites, as a result of managements periodic review of the cost budgets.

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.

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

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

During the year, the Company 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 Company's results.

26. Called up share capital

	2026 £m	*2025 £m*
Allotted, called up and fully paid		
30,000,201 *(2025 - 30,000,201)* Ordinary shares of £1.00 each	**30.0**	*30.0*

27. Reserves

Share premium account

Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

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

Other reserves

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

Profit and loss account

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

28. 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 30.

29. Capital commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as a liability total to £13.7m (2025: £11.9m).

30. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £7.2m (2025: £6.8m). Contributions totalling £2.4m (2025: £1.1m) were payable to the fund at the reporting date and are included in creditors.

The Company operates a Defined benefit pension scheme.

In the year to 30 June 2026, the Company 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 Company, 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 Company to risks such as: investment risk, interest rate risk, longevity risk, and salary risk. However, following the insurance buy-in in 2024, these risks have been largely mitigated as changes in the IAS19 liability are offset by changes in the IAS19 value of the buy-in.

The schemes are exposed to a number of risks, including:

Investment risk
The present value of the defined benefit Plan liability for IAS19 purposes is calculated using a discount rate determined by reference to high quality corporate bond yields, which is different to how the Plan assets are invested. Following the buy-in transaction, the Plan's primary asset is the insurance policy. The terms of the policy provide a low investment risk, as the insurer makes regular payments to the Plan broadly equal to the benefit payments due to all members. Under accounting regulation IAS19.115, where the income received from a buy-in insurance contract matches exactly the benefit payments due to the members, the value attributable to the contract to be recognised as an asset is the IAS19 value of the corresponding liabilities. Noting that the Trustee secured some additional benefits as part of the transaction and some enhanced benefits are not covered in the policy, these have also been reflected in the value of the asset.

Interest risk
A decrease in the bond interest rate will increase the valuation of the Plan’s IAS19 liability but this will be partially offset by an increase in the value of the Plan’s government bond investments.

Longevity risk
The present value of the defined benefit Plan liability is calculated by reference to a best estimate of the mortality of Plan participants both during and after their retirement. An increase in the life expectancy of the Plan participants will increase the Plan’s assessed liability.

30. Pension commitments (continued)

Salary risk
The present value of the defined benefit Plan liability is calculated by reference to the future salaries of Plan participants. As such, an increase in the salary of the Plan participants will increase the Plan's liability. The Plan closed to the future accrual of benefits on 31 January 2016.

The Company 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.

Reconciliation of present value of plan liabilities:

	2026 £m	*2025 £m*
At the beginning of the year	**156.0**	*165.6*
Interest cost	**8.5**	*8.4*
Actuarial gains	**(3.6)**	*(13.1)*
Benefits paid	**(7.4)**	*(6.9)*
Past service cost	**0.2**	*2.0*
At the end of the year	**153.7**	*156.0*

Reconciliation of present value of plan assets:

	2026 £m	*2025 £m*
At the beginning of the year	**162.9**	*174.9*
Interest income	**8.9**	*8.9*
Actuarial losses	**(3.6)**	*(13.3)*
Contributions	**-**	*0.1*
Benefits paid	**(7.4)**	*(6.9)*
Past service cost	**(0.9)**	*(0.8)*
At the end of the year	**159.9**	*162.9*

30. Pension commitments (continued)

Composition of plan assets:

	2026 £m	*2025 £m*
Government bonds	**2.0**	*2.0*
Cash and cash equivalents	**5.5**	*6.0*
Insurance policies	**152.4**	*154.9*
Total plan assets	**159.9**	*162.9*

	2026 £m	*2025 £m*
Fair value of plan assets	**159.9**	*162.9*
Present value of plan liabilities	**(153.7)**	*(156.0)*
Net pension scheme asset	**6.2**	*6.9*

30. Pension commitments (continued)

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 Company's own financial instruments or any property occupied by, or assets used by, the Company. A £5.5m cash surplus remains in the Plan after considering prudent provisions on future payments and expenses.

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.

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.

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

	2026 %	*2025 %*
Discount rate	**6.0**	*5.6*
Inflation assumption (RPI)	**3.0**	*2.9*
Inflation assumption (CPI)	**2.5**	*2.4*
Mortality rates		
- for a male aged 65 now	**26.1 years**	*25.6 years*
- at 65 for a male aged 45 now	**27.9 years**	*27.5 years*

30. Pension commitments (continued)

- for a female aged 65 now	**28.8 years**	*28.6 years*
- at 65 for a female member aged 45 now	**30.5 years**	*30.3 years*

The weighted-average duration of the defined benefit obligation at 30 June 2026 was 12.0 years (2025: 15.0 years).

Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below:

	2026 £m	*2025 £m*
Increase in defined benefit obligation:		
Discount rate -0.10%	**1.9**	*1.9*
Inflation (RPI) +0.10%	**1.6**	*1.3*
Inflation (CPI) +0.10%	**0.1**	*0.1*
Nil commutation	**0.7**	*0.7*
Life Expectancy +1 year	**3.9**	*4.2*

This sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

31. Other financial commitments

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

In addition, the Company's lease obligations are secured by the lessors' title of the leased assets, which have a carrying amount of £2.8m (2025: £2.6m).

32. Related party transactions

The Company has applied the provisions within FRS 101 to be exempt from the disclosure of transactions entered into, and balances outstanding, with a Group entity which is wholly owned by another Group entity and key management personnel.

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

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

Now Digital East Midlands Limited
The total amount of revenue transactions during the year was £1.7m (2025: £1.3m) with an amount receivable at the year end of £19.9m (2025: £18.1m).

South West Digital Radio Limited
The total amount of revenue transactions during the year was £1.5m (2025: £1.3m) with an amount receivable at the year end of £12.6m (2025: £11.4m).

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

There are no provisions for doubtful debts held for these amounts and £nil (2025: £nil) expense recognised during the year in respect of bad or doubtful debts due from related parties

33. Post balance sheet events

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

34. Controlling parties

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

Copies of the AGL and the AGPL consolidated financial statements can be obtained from the 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.

35. Subsidiaries

Details of the company's directly held subsidiaries as at 30 June 2026 are as follows:

Name	Country of incorporation	Class of shares	Holding
ABHL Multiplex Limited	United Kingdom	Ordinary	100.0 %
Arqiva (Scotland) Limited	United Kingdom	Ordinary	100.0 %
Arqiva Defined Benefit Pension Plan Trustees Limited	United Kingdom	Ordinary	100.0 %
Arqiva Inc.	United States	Ordinary	100.0 %
Arqiva Limited (Irish Entity)	Ireland	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 SAS	France	Ordinary	100.0 %
Arqiva SRL	Italy	Ordinary	100.0 %
Capablue Limited	United Kingdom	Ordinary	100.0 %
Connect TV Limited	United Kingdom	Ordinary	100.0 %
Inmedia Communications Group Limited	United Kingdom	Ordinary	100.0 %
J F M G Limited	United Kingdom	Ordinary	100.0 %
Macropolitan Limited	United Kingdom	Ordinary	100.0 %
Scanners (Europe) Limited	United Kingdom	Ordinary	100.0 %
Spectrum Interactive Limited	United Kingdom	Ordinary	100.0 %

Details of the company's indirectly held subsidiaries as at 30 June 2026 are as follows:

Name	Country of incorporation	Class of shares	Holding
Arqiva Communications Limited	United Kingdom	Ordinary	100.0 %
Arqiva Media Limited	United Kingdom	Ordinary	100.0 %
Arqiva Public Safety Limited	United Kingdom	Ordinary	100.0 %
Arqiva Satellite Limited	United Kingdom	Ordinary	100.0 %
Cast Communications Limited	United Kingdom	Ordinary	100.0 %
Connect TV (Scotland) Limited	United Kingdom	Ordinary	100.0 %
Inmedia Communications (Holdings) Limited	United Kingdom	Ordinary	100.0 %
Inmedia Communications Limited	United Kingdom	Ordinary	100.0 %
NWP Spectrum Holdings Limited	United Kingdom	Ordinary	100.0 %
Scanners Television Outside Broadcasts Limited	United Kingdom	Ordinary	100.0 %
Selective Media Limited	United Kingdom	Ordinary	100.0 %
Spectrum Interactive (UK) 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.

35. Subsidiaries (continued)

In addition to the subsidiary undertakings above, the Company directly holds the following interests in associates and joint ventures:

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