Virgin Media O2[1] publishes Q1 results to 31 March 2026

Virgin Media O2 lays foundations for 2026 with targeted network investments

London, UK - 1 May 2026

- Progress against strategy:
    - O2 Satellite launched, becoming the first UK mobile network to switch on direct-to-device satellite connectivity, increasing landmass coverage up to 95%.
    - Virgin Media broadband complaints decrease by 42% year-over-year, as further customer initiatives launched.
    - Full fibre footprint reaches 8.7 million premises, supporting long-term network modernisation and improved operational efficiency.
    - The largest 5G+ footprint in the UK, now reaching 86% of the UK outdoor population, with new strategic RAN upgrade agreements, and additional spectrum acquired from Vodafone UK in the quarter.
    - O2 Business brand launched with Daisy Group integration continuing at pace.
- Commercial momentum:
    - Fixed commercial initiatives were further optimised, with a reduced consumer fixed-line net loss of 6,900 as the base progressively stabilises. ARPU decreased 1.6% year-over-year, reflecting sustained promotional intensity in the market.
    - Mobile contract losses totalled 61,500 in Q1, driven by moderate losses in consumer and business segments. Consumer contract churn reduced as expected, with ARPU broadly stable year-over-year.
- Financial performance:
    - All 2026 guidance is reaffirmed, supported by on track performance in both service revenue and Adjusted EBITDA in the first quarter.
    - Total service revenue decreased 3.0%, at the top-end of guidance. The reduction reflects anticipated softness in consumer and business revenue, partially offset by wholesale growth.
    - Adjusted EBITDA reduced 3.4%, primarily due to lower service revenue, with cost efficiencies partially mitigating this impact and maintaining strong margin.

Financial performance on track for 2026 guidance

Revenue: Q1 total service revenue was £2,007.9 million, a 3.0% year-over-year decrease (adjusted for the Daisy Transaction), as total revenue decreased 6.5% (adjusted for the Daisy Transaction) to £2,390.1 million. This movement was driven by:

- Consumer revenue decreased by 3.8%, with a 3.9% decrease in consumer fixed service revenue and a 3.7% reduction in consumer mobile service revenue. This primarily reflects the impact of prior-year customer reductions, and ongoing competitive pressure in the consumer fixed market, which continues to weigh on ARPU.
- Business revenue decreased by 5.1%, driven by a 9.9% decrease in business service revenue. The service revenue reduction was primarily driven by lower margin products, as the company begins the planned streamlining of the B2B product portfolio.
- Wholesale revenue increased by 5.1%, supported by a 12.7% increase in wholesale service revenue, with growth in MVNO revenue and an increase in long-term leases of the fixed network. In addition, approximately £15.4 million of fixed pre-enablement and installation income improved wholesale service revenue, as the company targets scaling and expanding wholesale fixed services.
- Network construction and other revenue decreased 89.2%, reflecting reduced nexfibre build activity compared with the prior-year.

Adjusted EBITDA: Q1 Adjusted EBITDA was £901.7 million, a 3.4% year-over-year decrease (adjusted for the Daisy Transaction). This reflects the reduction in total service revenue and a non-cash provision for legal matters recorded in the quarter, partially offset by cost reduction initiatives. Q1 2026 Adjusted EBITDA margin was 37.7%, compared to 36.9% in Q1 2025 on a reported basis, with the year-over-year movement primarily driven by changes in revenue mix.

Adjusted EBITDA less Capex: Q1 Adjusted EBITDA less Capex was £367.9 million, an 8.4% year-over-year decrease (adjusted for the Daisy Transaction). This was driven by the reduction in Adjusted EBITDA and the continuation of significant targeted investments in upgrading the company's networks and services.

Spectrum licence additions: Q1 Spectrum licence additions totalled £80.0 million. During the quarter, the company acquired spectrum from Vodafone UK, forming part of the previously announced £343 million consideration for 78.8MHz of spectrum that will transfer and be deployed over the medium term. This acquisition enhances O2's spectrum position to support future network capacity and performance.

Adjusted Free Cash Flow: There was a seasonal Adjusted FCF outflow of £468.3 million for the quarter ended 31 March 2026.

2026 guidance: All 2026 guidance metrics reaffirmed, as the company expects:

- Total service revenue decline of 3 to 5% year-over-year, adjusted for the Daisy Transaction.
- Adjusted EBITDA decline of 3 to 5% year-over-year, adjusted for the Daisy Transaction.
- P&E additions of £2.0 to £2.2 billion.
- Adjusted Free Cash Flow and cash distributions to shareholders both around £200 million.

Proactive refinancing in Q1 further underpins capital structure

Debt borrowing cost and tenor: At 31 March 2026, the fully-swapped third-party debt borrowing cost was 5.3% and the average tenor of third-party debt (excluding vendor financing) was 4.8 years.

Q1 2026 key financing activity:

- In January 2026, activity was undertaken to support the vendor financing structure, with net proceeds of the following issuances used to refinancing 2028 maturity Vendor Financing Notes:
    - Virgin Media O2 Vendor Financing Notes V Designated Activity Company, a third-party SPV that is outside of the Group, issued £175.0 million aggregate principal amount of 7.875% Vendor Financing Notes due 15 March 2032.
    - Virgin Media O2 Vendor Financing Notes VI Designated Activity Company, a third-party SPV that is outside of the Group, issued USD 500.0 million aggregate principal amount of 8.500% Vendor Financing Notes at par due 15 March 2033.
    - Virgin Media O2 Vendor Financing Notes VII Designated Activity Company, a third-party SPV that is outside of the Group, issued EUR 550.0 million aggregate principal amount of 7.500% Vendor Financing Notes at par due 15 July 2033.
    - Virgin Media O2 Vendor Financing Notes VIII Designated Activity Company, a third-party SPV that is outside of the Group, issued GBP 250.0 million aggregate principal amount of 8.875% Vendor Financing Notes at par due 15 July 2033.
- In January 2026, Virgin Media O2 issued a EUR 920 million term loan (Term Loan AF), maturing on 15 October 2031 and bearing interest at a rate of EURIBOR + 3.000%, subject to adjustment based on the achievement or otherwise of certain ESG metrics. Proceeds were used to (i) prepay EUR 74.6 million of Term Loan Z and EUR 151.1 million of Term Loan O, and (ii) purchase EUR 645.4 million of Term Loan Z and EUR 48.9 million of Term Loan O which were subsequently exchanged into Term Loan AF.
- In January 2026, £925.0 million of Term Loan AC1 and £750.0 million of Term Loan AC2 were consolidated into a single tranche, Term Loan AC, maturing on 1 August 2030 and bearing an interest at a rate of SONIA + 3.250% per annum, subject to adjustment based on the achievement or otherwise of certain ESG metrics.

Leverage ratios:

- The following ratios are calculated in accordance with the most restrictive covenants, and reflecting the Credit Facility Excluded Amounts as defined in the respective credit agreements as at 31 March 2026, subject to the completion of the corresponding compliance reporting requirements:
    - Net Senior Debt to Annualised Adjusted EBITDA (last two quarters annualised) of 4.07x
    - Net Total Debt to Annualised Adjusted EBITDA (last two quarters annualised) of 4.38x
- Vendor financing, lease and certain other obligations are not included in the calculation of leverage covenants, if these and the Credit Facility Excluded Amounts were included the associated leverage ratio would be:

- ◦ Total Net Debt to Annualised Adjusted EBITDA of 5.86x

Undrawn commitments:

- At 31 March 2026, the company had undrawn commitments of £1,024.0 million equivalent.
- When compliance reporting requirements have been completed and assuming no change from 31 March 2026 borrowing levels, it is anticipated that the full borrowing capacity will continue to be available, based on the maximum the company can incur and upstream.

Operating Statistics Summary [i]

	As of and for the three months ended 31 March	
	2026	2025
Footprint		
Homes Serviceable	**18,796,600**	**18,420,900**
Homes Passed	16,226,400	16,224,100
Fixed		
Consumer Fixed-Line Customer Relationships	**5,534,500**	**5,644,500**
Consumer Broadband Connections	5,446,100	5,550,800
Consumer Fixed-Line Customer Relationship net losses	**(6,900)**	**(44,700)**
Consumer Broadband net losses	(5,300)	(42,800)
Monthly ARPU per Consumer Fixed-Line Customer Relationship	£ 46.50	£ 47.26
Mobile		
Contract Connections	**24,467,900**	**24,582,900**
Consumer	12,520,600	12,731,100
Business	2,945,200	3,151,600
Wholesale	9,002,100	8,700,200
Prepaid Connections	**7,882,500**	**8,526,700**
IoT Connections	**14,096,100**	**12,744,900**
Total Mobile Connections	**46,446,500**	**45,854,500**
Mobile net losses [ii]		
Contract net losses [ii]	**(61,500)**	**(70,300)**
Consumer net losses	(37,600)	(28,300)
Business net losses [ii]	(22,800)	(96,200)
Wholesale net (losses) additions [ii]	(1,100)	54,200
Prepaid net losses	**(302,700)**	**(245,300)**
IoT net additions [ii]	**52,400**	**298,200**
Total mobile net losses	**(311,800)**	**(17,400)**
Monthly ARPU per Consumer Mobile Contract Connection	£ 17.21	£ 17.25

(i) The 2025 metrics presented include the consolidation of Daisy Group from 1 January 2025, see footnote 5 for further details.
(ii) Movements for the quarter ended 31 March 2026 exclude the impact of adjustments made to the 2026 opening base. There was an increase in Total Mobile Connections of 18,400, with associated impacts of an increase in IoT Connections of 164,700, a decrease in Business Connections of 72,300 and a decrease in Wholesale Connections of 74,000.

Financial Results, Adjusted EBITDA Reconciliation, Property and Equipment Additions and Adjusted Free Cash Flow

The preliminary unaudited selected financial results are set forth below:

	Three months ended 31 March				Increase (decrease)	Adjusted increase (decrease) [i]
	2026		2025			
	in millions, except percentages					
Revenue						
Consumer	**£**	**1,813.7**	**£**	**1,886.3**	**(3.8%)**	**(3.8%)**
Mobile Service		775.2		804.7	(3.7%)	(3.7%)
Fixed Service		772.0		803.6	(3.9%)	(3.9%)
Business		**308.7**		**249.4**	**23.8%**	**(5.1%)**
Business Service		233.2		205.4	13.5%	(9.9%)
Wholesale		**256.9**		**244.5**	**5.1%**	**5.1%**
Wholesale Service		227.5		201.9	12.7%	12.7%
Network Construction and Other		**10.8**		**99.9**	**(89.2%)**	**(89.2%)**
Total Revenue	**£**	**2,390.1**	**£**	**2,480.1**	**(3.6%)**	**(6.5%)**
Memo: Total Service Revenue		2,007.9		2,015.6	(0.4%)	(3.0%)
Memo: Hardware and Other Revenue		382.2		464.5	(17.7%)	(21.5%)
Adjusted EBITDA		**901.7**		**914.1**	**(1.4%)**	**(3.4%)**
Adjusted EBITDA as a % of Revenue		*37.7 %*		*36.9 %*		
Adjusted EBITDA less Capex						
Adjusted EBITDA	£	901.7	£	914.1	(1.4%)	(3.4%)
Property & equipment additions		496.8		498.3	(0.3%)	(0.9%)
ROU asset additions		37.0		30.5	21.3%	21.3%
Adjusted EBITDA less Capex	**£**	**367.9**	**£**	**385.3**	**(4.5%)**	**(8.4%)**
Adjusted EBITDA less Capex as a % of Revenue		*15.4 %*		*15.5 %*		
Spectrum licence additions	£	80.0	£	—		
Adjusted Free Cash Flow (FCF)	**£**	**(468.3)**	**£**	**(885.4)**		

[i] Adjusted to include the consolidation of Daisy Group from 1 January 2025, see footnote 4 for further details.

A reconciliation of net loss to Adjusted EBITDA is set forth below:

	Three months ended 31 March				Increase (decrease)
	2026		2025		
	in millions, except percentages				
Net loss	£	(30.5)	£	(135.5)	
Income tax expense (benefit)		7.5		(42.3)	
Other income, net		(5.8)		(0.9)	
Share of results of investments accounted for by the equity method		0.4		(1.0)	
Finance costs		466.9		563.4	
Finance income		(341.2)		(275.7)	
Operating income		97.3		108.0	
Depreciation and amortisation		760.1		768.8	
Share-based compensation expense		0.4		13.7	
Restructuring and other operating		43.9		23.6	
Adjusted EBITDA	**£**	**901.7**	**£**	**914.1**	**(1.4%)**

A reconciliation of our net cash used by operating activities to Adjusted Free Cash Flow is set forth below:

	Three months ended 31 March			
	2026		2025	
	in millions			
Net cash provided (used) by operating activities	£	186.8	£	(253.6)
Operating-related vendor financing additions		662.8		474.2
Capital expenditures, net		(381.4)		(319.7)
Principal payments on vendor financing		(881.9)		(733.2)
Principal payments on leases		(54.6)		(53.1)
Adjusted FCF	**£**	**(468.3)**	**£**	**(885.4)**

Third-Party Debt, Lease Obligations and Cash and Cash Equivalents

The borrowing currency and pound sterling equivalent of the nominal amounts of VMED O2's consolidated third-party debt, lease obligations and cash and cash equivalents is set forth below:

	31 March 2026			31 December 2025
	Borrowing currency		£ equivalent	
			in millions	
Senior and Senior Secured Credit Facilities:				
Term Loan O (EURIBOR + 2.500%) due 2029	€	—	£ —	£ 174.5
Term Loan Q (Term SOFR + 3.250%) due 2029	$	1,300.0	983.8	966.2
Term Loan Y (Term SOFR + 3.250%[i]) due 2031	$	2,080.2	1,574.0	1,546.4
Term Loan Z (EURIBOR + 3.500%[i]) due 2031	€	—	—	628.1
Term Loan AC (SONIA + 3.250%) due 2030 [ii]	£	1,675.0	1,675.0	1,675.0
Term Loan AE (EURIBOR + 3.250%[i]) due 2033	€	1,430.0	1,248.7	1,247.5
Term Loan AF (EURIBOR + 3.000%[i]) due 2031	€	920.0	803.4	—
£1,324 million (equivalent) RCF (SONIA + 2.750%[i]) due 2029 [iii]	£	300.0	300.0	—
VM Financing Facilities (GBP equivalent)	£	90.8	90.8	94.0
Total Senior and Senior Secured Credit Facilities			**6,675.7**	**6,331.7**
Senior Secured Notes:				
5.500% USD Senior Secured Notes due 2029	$	1,425.0	1,078.2	1,059.3
5.250% GBP Senior Secured Notes due 2029	£	340.0	340.0	340.0
4.000% GBP Senior Secured Notes due 2029	£	600.0	600.0	600.0
4.250% GBP Senior Secured Notes due 2030	£	635.0	635.0	635.0
4.500% USD Senior Secured Notes due 2030	$	915.0	692.3	680.2
4.125% GBP Senior Secured Notes due 2030	£	480.0	480.0	480.0
3.250% EUR Senior Secured Notes due 2031	€	950.0	829.6	828.8
4.250% USD Senior Secured Notes due 2031	$	1,350.0	1,021.5	1,003.5
4.750% USD Senior Secured Notes due 2031	$	1,400.0	1,059.3	1,040.7
4.500% GBP Senior Secured Notes due 2031	£	675.0	675.0	675.0
7.750% USD Senior Secured Notes due 2032	$	950.0	718.8	706.2
5.625%[i] EUR Senior Secured Notes due 2032	€	1,810.0	1,580.5	1,579.0
6.750% USD Senior Secured Notes due 2033	$	850.0	643.2	631.9
Total Senior Secured Notes			**10,353.4**	**10,259.6**
Senior Notes:				
5.000% USD Senior Notes due 2030	$	925.0	699.9	687.6
3.750% EUR Senior Notes due 2030	€	500.0	436.6	436.2
Total Senior Notes			**1,136.5**	**1,123.8**
Vendor financing			3,036.0	3,037.2
Share of Cornerstone debt			267.5	296.8
Other debt			196.2	189.7
Lease obligations			851.9	878.6
Total third-party debt and lease obligations			**22,517.2**	**22,117.4**
Less: unamortised premiums, discounts, deferred financing costs and fair value adjustments, net			37.9	33.2
Total carrying amount of third-party debt and lease obligations			**22,479.3**	**22,084.2**
Less: cash and cash equivalents			387.3	573.5
Net carrying amount of third-party debt and lease obligations			**£ 22,092.0**	**£ 21,510.7**
Exchange rate (£ to €)			1.1452	1.1463
Exchange rate (£ to $)			1.3216	1.3453

(i) Rates are subject to adjustment based upon the achievement or otherwise of certain ESG metrics.
(ii) In January 2026, £925.0 million of Term Loan AC1 and £750.0 million of Term Loan AC2 were consolidated into a single tranche, Term Loan AC.
(iii) In January 2026, the additional £54 million (equivalent) RCF (SONIA + 2.750%) due 2026 matured.

Covenant Debt Information[1]

The pound sterling equivalent of the reconciliation of VMED O2's consolidated third-party debt and lease obligations to the total covenant amount of third-party gross and net debt, as well as information regarding the projected principal-related cash flows of our cross-currency derivative instruments is set forth below. The pound sterling equivalents presented below are based on exchange rates that were in effect as of 31 March 2026 and 31 December 2025. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments or receipts in future periods.

	31 March 2026	31 December 2025
	in millions	
Total third-party debt and lease obligations (£ equivalent)	**£ 22,517.2**	**£ 22,117.4**
Vendor financing	(2,964.9)	(2,967.2)
Other debt	(196.2)	(189.7)
Cornerstone debt	(267.5)	(296.8)
Credit Facility excluded amount	(984.4)	(1,044.6)
Lease obligations	(851.9)	(878.6)
Projected principal-related cash payments associated with our cross-currency derivative instruments	357.3	510.1
Total covenant amount of third-party gross debt	**17,609.6**	**17,250.6**
Cash and cash equivalents	(377.6)	(546.7)
Total covenant amount of third-party net debt	**£ 17,232.0**	**£ 16,703.9**

Forward-Looking Statements

This press release contains forward-looking statements including statements regarding our strategies, future growth ambitions and opportunities, and other information and statements that are not historical fact. Accordingly, one should not place undue reliance on these statements.

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About Virgin Media O2

VMED O2 UK Limited (Virgin Media O2) is an integrated communications provider of broadband internet, video, fixed-line telephony and mobile services to residential customers and businesses in the United Kingdom (U.K.). Virgin Media O2 is a 50:50 joint venture between Liberty Global Ltd. and Telefónica, SA (Telefónica).

Liberty Global Ltd. are a dynamic team of operators and investors, generating and delivering shareholder value through the strategic management of three complementary platforms — Liberty Telecom, Liberty Growth and Liberty Global.

Liberty Global is a team of operators and investors with over 30 years of experience in telecoms, tech, media and finance. In addition to providing financing and tech-related services to our operating businesses and Growth portfolio companies, Liberty Global has strong leadership across M&A, talent, legal and tax.

Liberty Telecom is a world leader in converged broadband, video and mobile communications, providing approximately 80 million fixed and mobile connections[i] through advanced fiber and 5G networks that empower customer and strengthen national economies. We are pursuing strategies in each market to drive commercial momentum, finance and monetize network infrastructure and pursue accretive transactions to deliver value to our shareholders.

Liberty Growth invests in scalable businesses across the technology, media, sports and infrastructure sectors, with a portfolio of roughly 70 companies. Liberty Growth holds investments valued at $3.4 billion[i], including our stakes in ITV, Televisa Univision, Plume Design, EdgeConneX and AE Group Sàrl (a.k.a. AtlasEdge), as well as our controlling interest in the racing series Formula E and Liberty Blume, our technology-based services business, providing technology, operational, and financial services to our affiliated companies and third-parties.

Telefónica is one of the largest telecommunications service providers in the world. The company offers fixed and mobile connectivity as well as a wide range of digital services for residential and business customers. With 326 million accesses[ii], Telefónica operates in Europe and Latin America. Telefónica is a 100% listed company and its shares are traded on the Spanish Stock Market and in Lima.

(i) As of 31 March 2026.
(ii) As of 31 December 2025.

Footnotes

(1) The information provided in this release includes the financial information of VMED O2 UK Limited, a holding company that is not included as a restricted subsidiary for purposes of the facilities agreement and bond indentures governing Virgin Media O2. Disclosures may differ from reporting required under debt covenant arrangements. The results included in this release have been prepared in accordance with IFRS for Virgin Media O2 for the three months ended 31 March 2026 and 2025.

(2) Net loss attributable to non-controlling interests of £10.1 million and £8.5 million during the three months ended 31 March 2026 and 2025 respectively.

(3) In addition to Adjusted EBITDA, the supplementary financial measure Adjusted EBITDAaL is set forth below:

	Three months ended 31 March				Increase (decrease)
	2026		2025		
	in millions, except percentages				
Adjusted EBITDAaL					
Adjusted EBITDA	£	901.7	£	914.1	(1.4%)
Lease depreciation and interest costs		(60.7)		(56.2)	
Adjusted EBITDAaL	**£**	**841.0**	**£**	**857.9**	**(2.0%)**

(4) 2026 guidance includes the following metrics: 'Total service revenue year-over-year, as adjusted for the Daisy Transaction' and 'Adjusted EBITDA year-over-year, as adjusted for the Daisy Transaction'. The 2025 metrics presented below include the consolidation of Daisy Group from 1 January 2025. In addition, effective with Q1 2026 reporting, the revenue reporting structure has been revised as set out below:

	Three months ended				Year ended
	31 March 2025	30 June 2025	30 September 2025	31 December 2025	31 December 2025
	in millions, except percentages				
Revenue					
Consumer	**£ 1,886.3**	**£ 1,926.8**	**£ 1,946.5**	**£ 1,903.5**	**£ 7,663.1**
Mobile Service	804.7	815.6	822.6	794.9	3,237.8
Fixed Service	803.6	822.2	806.2	788.0	3,220.0
Business	**325.4**	**330.4**	**310.5**	**320.4**	**1,286.7**
Business Service	258.8	267.4	244.6	248.1	1,018.9
Wholesale	**244.5**	**264.2**	**273.6**	**319.6**	**1,101.9**
Wholesale Service	201.9	221.5	237.5	287.8	948.7
Network Construction and Other	**99.9**	**82.9**	**43.1**	**13.4**	**239.3**
Total Revenue	**£ 2,556.1**	**£ 2,604.3**	**£ 2,573.7**	**£ 2,556.9**	**£ 10,291.0**
Memo: Total Service Revenue	2,069.0	2,126.7	2,110.9	2,118.8	8,425.4
Memo: Hardware and Other Revenue	487.1	477.6	462.8	438.1	1,865.6
Adjusted EBITDA	**£ 933.5**	**£ 1,004.8**	**£ 1,021.5**	**£ 965.4**	**£ 3,925.2**
Adjusted EBITDA as a % of Revenue	*36.5%*	*38.6%*	*39.7%*	*37.8%*	*38.1%*

(5) Effective with Q1 2026 reporting, KPI reporting has been revised into the below structure:

	Three months ended				Year ended
	31 March 2025	30 June 2025	30 September 2025	31 December 2025	31 December 2025
Footprint					
Homes Serviceable	**18,420,900**	**18,535,800**	**18,675,100**	**18,790,200**	**18,790,200**
Homes Passed	16,224,100	16,225,900	16,226,000	16,226,100	16,226,100
Fixed					
Consumer Fixed-Line Customer Relationships	**5,644,500**	**5,591,000**	**5,558,300**	**5,541,400**	**5,541,400**
Consumer Broadband Connections	5,550,800	5,497,500	5,467,300	5,451,700	5,451,700
Consumer Fixed-Line Customer Relationship net losses	**(44,700)**	**(53,500)**	**(32,700)**	**(16,900)**	**(147,800)**
Consumer Broadband net losses	(42,800)	(53,300)	(30,200)	(15,600)	(141,900)
Monthly ARPU per Consumer Fixed-Line Customer Relationship	£ 47.26	£ 48.79	£ 48.24	£ 47.37	
Mobile					
Contract Connections	**24,582,900**	**24,583,800**	**24,648,000**	**24,675,700**	**24,675,700**
Consumer	12,731,100	12,710,600	12,711,700	12,558,200	12,558,200
Business[(i)]	3,151,600	3,097,300	3,051,500	3,040,300	3,040,300
Wholesale	8,700,200	8,775,900	8,884,800	9,077,200	9,077,200
Prepaid Connections	**8,526,700**	**8,546,200**	**8,379,000**	**8,185,200**	**8,185,200**
IoT Connections	**12,744,900**	**13,203,500**	**13,557,600**	**13,879,000**	**13,879,000**
Total Mobile Connections	**45,854,500**	**46,333,500**	**46,584,600**	**46,739,900**	**46,739,900**
Mobile net (losses) additions					
Contract net (losses) additions	**(70,300)**	**900**	**64,200**	**27,700**	**22,500**
Consumer net (losses) additions	(28,300)	(20,500)	1,100	(153,500)	(201,200)
Business net losses	(96,200)	(54,300)	(45,800)	(11,200)	(207,500)
Wholesale net additions	54,200	75,700	108,900	192,400	431,200
Prepaid net (losses) additions	**(245,300)**	**19,500**	**(167,200)**	**(193,800)**	**(586,800)**
IoT net additions	**298,200**	**458,600**	**354,100**	**321,400**	**1,432,300**
Total mobile net (losses) additions	**(17,400)**	**479,000**	**251,100**	**155,300**	**868,000**
Monthly ARPU per Consumer Mobile Contract Connection	£ 17.25	£ 17.77	£ 17.76	£ 17.31	

(i) Amounts as of the quarter ended 31 March 2025 and 30 June 2025 include Daisy Group business contract connections of 169,500 and 168,300 respectively.

Glossary

5G Population Coverage: The percentage of the UK outdoor population with access to 5G services.

5G+ Footprint: UK's highest 5G Standalone Outdoor Coverage percentage per Ofcom's Connected Nations 2025 report.

5G+ Population Coverage: The percentage of the UK outdoor population with access to 5G+ (Standalone) services.

Adjusted EBITDA: Adjusted EBITDA is the primary measure used by our Chief Executive Officer, determined to be our Chief Operating Decision Maker (CODM), to evaluate operating performance and is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources and (ii) evaluate the effectiveness of our management for the purposes of annual and other incentive compensation plans. Adjusted EBITDA is defined as profit (loss) from continuing operations before net income tax benefit (expense), other non-operating income or expenses, share of results of investments accounted for by the equity method, net finance (costs) income, depreciation and amortisation, share-based compensation, impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets and (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees. Share-based compensation for purposes of calculating Adjusted EBITDA also includes awards granted to VMED O2 employees that are settled with Liberty Global or Telefónica shares. Our internal decision makers believe Adjusted EBITDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (1) readily view operating trends, (2) perform analytical comparisons and benchmarking and (3) identify strategies to improve operating performance. We believe our consolidated Adjusted EBITDA measure, which is a non-GAAP measure, is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other companies.

Adjusted EBITDA margin: Adjusted EBITDA margin is a non-GAAP metric calculated by dividing Adjusted EBITDA by total revenue for the applicable period.

Adjusted EBITDA after Leases (Adjusted EBITDAaL): We define Adjusted EBITDAaL as Adjusted EBITDA as further adjusted to include lease related depreciation and interest expense. Our internal decision makers believe Adjusted EBITDAaL is a meaningful measure because it represents a transparent view of our recurring operating performance that includes recurring lease expenses necessary to operate our business. We believe Adjusted EBITDAaL, which is a non-GAAP measure, is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. Adjusted EBITDAaL should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, IFRS measures of income included in our consolidated statements of profit or loss.

Adjusted EBITDA less Capex: Adjusted EBITDA less P&E additions (excluding spectrum licence additions) and ROU asset additions. Adjusted EBITDA less Capex is a meaningful measure because it provides (i) a transparent view of Adjusted EBITDA that remains after our capital expenditures, which we believe is important to take into account when evaluating our overall performance and (ii) a comparable view of our performance relative to other telecommunications companies. Our Adjusted EBITDA less Capex measure may differ from how other companies define and apply their definition of similar measures. Adjusted EBITDA less Capex should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net profit or loss or other IFRS measures of income.

Adjusted Free Cash Flow: Net cash provided by our operating activities, plus expenses financed by an intermediary, less (i) capital expenditures, as reported in our consolidated statement of cash flows, excluding spectrum licence additions, (ii) principal payments on amounts financed by vendors and intermediaries and (iii) principal payments on certain finance leases. We believe that our presentation of Adjusted Free Cash Flow, which is a non-GAAP measure, provides useful information to our investors because this measure can be used to gauge our ability to service debt and fund new investment opportunities. Adjusted Free Cash Flow should not be understood to represent our ability to fund discretionary amounts, as we have various mandatory and contractual obligations, including debt repayments, which are not deducted to arrive at this amount. Investors should view Adjusted Free Cash Flow as a supplement to, and not a substitute for, IFRS measures of liquidity included in our consolidated statements of cash flows.

As adjusted for the Daisy Transaction: This assumes the O2 Daisy transaction occurred on 1 January 2025 and pushes back purchase price accounting and policy alignment to this date. The financial statements as adjusted for the Daisy Transaction, which have been prepared in accordance with IFRS, do not purport to project the results of operations or financial condition of the O2 Daisy transaction for any future period nor do they purport to represent what the actual results of operations or financial condition of the O2 Daisy transaction would have been had the transactions occurred on the dates indicated.

B2B: Business-to-Business.

Blended fully-swapped debt borrowing cost: The weighted average interest rate on our aggregate variable- and fixed-rate indebtedness (excluding lease obligations and including vendor financing), including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of deferred financing costs.

Business Revenue: Business revenue represents revenue generated from large enterprise and public sector (LEPS), Small and Medium Business (SMB), and Small Office or Home Office (SOHO) customers through O2 Daisy Limited. This includes revenue from fixed and mobile connectivity, and, amongst other items, revenue from IT hardware and services such as cloud and cybersecurity.

Business Service Revenue: Business service revenue includes revenue from connectivity associated with the fixed and mobile networks, and, amongst other items, revenue from ongoing IT services.

Consumer Broadband Connections: The number of consumer customers, through a home or residential multiple dwelling unit, that receives internet services over our networks, or that we service through a partner network.

Consumer Fixed-Line Customer Relationships: The number of consumer customers who receive at least one of our broadband, video or telephony services, without regard to which or to how many services they subscribe. Consumer Fixed-Line Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Consumer Fixed-Line Customer Relationships. We exclude mobile-only customers from Consumer Fixed-Line Customer Relationships.

Consumer Revenue: Consumer revenue represents revenue generated from consumer and residential customers. This includes revenue from usage of the mobile and fixed networks, and, amongst other items, revenue from sales of equipment, mobile handset insurance policies, channel carriage fees, and late fees.

Consumer Fixed Service Revenue: Consumer fixed service revenue includes revenue from subscribers for ongoing broadband internet, video, and fixed-line telephony services, and, amongst other items, the recognition of deferred installation revenue over the associated contract term.

Consumer Mobile Service Revenue: Consumer mobile service revenue includes revenue from usage of the mobile network for voice, text messages and data transmission, subscription fees, and, amongst other items, roaming and interconnect revenue.

Consumer Revenue: Consumer revenue represents revenue generated from consumer and residential customers. This includes revenue from usage of the mobile and fixed networks, and, amongst other items, revenue from sales of equipment, mobile handset insurance policies, channel carriage fees, and late fees.

Cornerstone: Cornerstone Telecommunications Infrastructure Limited.

Costs to Capture (CTC): Costs to capture generally include incremental, third-party operating and capital-related costs that are directly associated with integration activities, restructuring activities and certain other costs associated with aligning our business processes to derive synergies. These costs are necessary to the joint venture being formed or are incidental to the joint venture formation. As a result, costs to capture may include certain (i) operating costs that are included in Adjusted EBITDA, (ii) capital-related costs that are included in property and equipment additions and in Adjusted EBITDA less Capex and (iii) certain integration-related restructuring expenses that are not included within Adjusted EBITDA or Adjusted EBITDA less Capex. Given the achievement of synergies occurs over time, certain of our costs to capture are recurring by nature, and generally incurred within a few years of completing the transaction.

EURIBOR: Euro Interbank Offered Rate plus a credit adjustment spread.

Fibre Footprint: Homes, residential multiple dwelling units or commercial units to which we, or partner networks with which we have a service agreement, have deployed fibre primarily through either 10 Gigabit Symmetrical Passive Optical Network (XGS-PON) or Radio Frequency over Glass (RFoG) technology. Fibre footprint premises may not necessarily meet the definition of Homes Serviceable with fibre.

Fixed-Mobile Convergence (FMC) penetration: Fixed-mobile convergence penetration represents the number of customers who subscribe to both a Virgin Media fixed broadband internet service and O2 postpaid mobile telephony service, divided by the total number of customers who subscribe to our fixed broadband internet service.

FTTH: Fibre-to-the-home.

Hardware and Other Revenue: Hardware and other revenue is a non-GAAP metric which includes revenue from the sales of hardware such as mobile handsets, and, amongst other items, revenue from construction services provided to nexfibre and Smart Metering revenue.

Homes Passed: Homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Certain of our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.

Homes Serviceable: Homes, residential multiple dwelling units or commercial units that can be connected to our networks that are technologically capable of providing two-way services (including video, broadband internet and telephony services), or partner networks with which we have a service agreement, where customers can request and receive our services, without materially extending the distribution plant. Certain of our Homes Serviceable counts are based on census data that can change based on either revisions to the data or from new census results.

Landmass Coverage: The percentage of the total UK geographic area with an outdoor mobile signal.

Mobile Contract Connections: Total number of contract mobile connections including retail contract connections (Consumer and Business), and Wholesale mobile connections excluding Tesco Mobile prepaid connections.

Mobile Internet of Things (IoT) Connections: Total number of Machine-to-Machine (M2M) contract mobile connections including Smart Metering contract connections.

Mobile Prepaid Connections: Total number of Prepaid mobile connections for the retail O2 and giffgaff brands and wholesale Tesco Mobile brand measured on a conventional basis (activity within 90 days).

Monthly ARPU per Consumer Fixed-Line Customer Relationship: Average Revenue Per Unit, a non-GAAP metric, is the average monthly service revenue per average consumer fixed-line customer calculated by dividing the average monthly service revenue by the average number of consumer fixed-line customer relationships for the period.

Monthly ARPU per Consumer Mobile Contract Connection: Average Revenue Per Unit, a non-GAAP metric, is the average monthly service revenue per average consumer contract customer calculated by dividing the average monthly service revenue by the average number of consumer mobile contract customer relationships for the period.

MVNO: Mobile Virtual Network Operator.

nexfibre: nexfibre is a joint venture between our shareholders, Liberty Global and Telefónica, and InfraVia Capital Partners, building a Fibre-to-the-home (FTTH) network in areas not covered by our existing network. We are the anchor wholesale client of nexfibre, in addition to providing a range of construction and other services to nexfibre.

Network Construction and Other Revenue: Network construction and other revenue includes construction management services provided to nexfibre, and, any other revenue received which is not classified under Consumer, Business, or Wholesale revenue categories.

O2 Business: O2 Daisy Limited, the parent of the B2B combined business operations formed on 1 August 2025, combining VMED O2 and Daisy Group's complementary direct B2B operations (now trading as O2 Business) to create a major new force in the UK business communications and IT sector. The ownership of O2 Daisy is split 70% VMED O2 and 30% Daisy Group. Under the new ownership structure, the combined entity will be consolidated by VMED O2 with a non-controlling interest recognised for the proportion of the combined entity's consolidated results attributable to the Daisy Group.

Property & Equipment (P&E) additions: P&E additions are defined as tangible and intangible asset additions (excluding spectrum licence additions), excluding ROU asset additions. We believe this is a key metric to understand our total capital expenditure and allows for a more meaningful comparison of trends from period to period.

RAN: Radio Access Network.

RCF: Revolving Credit Facility.

ROU asset: The right-of-use asset is the lessee's right to use an asset over the contracted term of a lease.

SIM: Subscriber Identification Module.

SONIA: Sterling Overnight Index Average plus a credit adjustment spread.

Term SOFR: Term Secured Overnight Finance Rate plus a credit adjustment spread.

Total Mobile Connections: The number of active SIM cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan that can be used for devices including a laptop would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after periods of inactivity of 90 days. Total number of retail mobile connections includes Consumer, Business, Wholesale, and IoT connections.

Total Service Revenue: Total service revenue is a non-GAAP metric which includes revenue from fixed and mobile telecommunications connectivity, and, amongst other items, revenue from selected ongoing IT services.

Virgin Media Broadband Complaints: Latest Virgin Media broadband complaints per 100,000 customers reported by Ofcom.

Wholesale Revenue: Wholesale revenue represents revenue generated from customers purchasing fixed and mobile network products on a wholesale basis. Partners include, but are not limited to, MVNOs, connectivity resellers, managed service providers, system integrators, data centre operators, and hyperscalers. This revenue includes mobile and fixed connectivity services such as Smart Metering, roaming, Internet of Things (IoT) solutions, dedicated fibre products, and certain corporate services provided to nexfibre.

Wholesale Service Revenue: Wholesale service revenue includes revenue from connectivity utilising Virgin Media O2's fixed and mobile networks, and, amongst other items, revenue from IT services.