Quarterly Bond Report and Condensed Consolidated Financial Statements
30 September 2026

VMED O2 UK HOLDINGS LIMITED
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VMED O2 UK HOLDINGS LIMITED
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Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Financial Position (unaudited)

	Note References	30 September 2026	31 December 2025
		in millions	
ASSETS			
Non-current assets:			
Intangible assets	4	£ 14,559.1	£ 15,374.7
Property, plant and equipment	5 and 7	9,932.9	10,014.9
Investments		11.0	13.3
Deferred tax assets		569.1	487.0
Related-party notes receivable	14	16,484.9	15,776.2
Derivative instruments	8 and 9	442.4	391.6
Retirement benefit asset		22.8	91.9
Trade receivables and other non-current assets	11 and 14	447.0	331.7
Total non-current assets		**42,469.2**	**42,481.3**
Current assets:			
Trade receivables and other current assets	11 and 14	2,198.9	2,231.9
Derivative instruments	8 and 9	291.0	231.5
Inventory		203.8	173.3
Related-party receivables	14	151.8	287.2
Assets held for sale	5	96.1	—
Cash and cash equivalents		428.6	566.3
Total current assets		**3,370.2**	**3,490.2**
Total assets		**£ 45,839.4**	**£ 45,971.5**

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Financial Position (unaudited) – continued

	Note References	30 September 2026	31 December 2025
		in millions	
LIABILITIES AND EQUITY			
Non-current liabilities:			
Non-current portion of debt and lease obligations	6, 7, 9 and 14	£ 19,051.4	£ 18,642.9
Retirement benefit obligation		4.2	4.6
Non-current portion of provisions	10	140.0	138.6
Derivative instruments	8 and 9	386.2	523.7
Deferred tax liabilities		1.0	1.4
Trade payables and other non-current liabilities	11 and 14	203.2	304.3
Total non-current liabilities		**19,786.0**	**19,615.5**
Current liabilities:			
Trade payables and other current liabilities	11 and 14	3,210.5	3,673.0
Current tax payable		4.6	14.6
Derivative instruments	8 and 9	213.4	197.1
Current portion of provisions	10	45.6	23.1
Current portion of debt and lease obligations	6, 7, 9 and 14	3,713.1	3,827.8
Total current liabilities		**7,187.2**	**7,735.6**
Total liabilities		**26,973.2**	**27,351.1**
Owner's equity:			
Share capital		—	—
Additional paid-in capital (**APIC**)		214.1	214.1
Other reserves		652.9	661.6
Accumulated profit		18,578.0	18,253.7
Accumulated other comprehensive loss		(365.4)	(362.8)
Total owner's equity		**19,079.6**	**18,766.6**
Non-controlling interests (**NCI**)	15	(213.4)	(146.2)
Total combined equity		**18,866.2**	**18,620.4**
Total equity and liabilities		**£ 45,839.4**	**£ 45,971.5**

The Non-Statutory accounts were signed on behalf of the Board on 23 November 2026 by:



D Melcon Sanchez-Friera
Director

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Profit or (Loss) (unaudited)

	Note References	Three months ended 30 September		Nine months ended 30 September	
		2026	2025	2026	2025
		in millions		in millions	
Revenue	3 and 14	£ 2,426.7	£ 2,549.3	£ 7,215.7	£ 7,556.2
Cost of sales	14	(711.5)	(780.2)	(2,081.1)	(2,330.7)
Gross profit		**1,715.2**	**1,769.1**	**5,134.6**	**5,225.5**
Personnel expenses		(209.7)	(216.3)	(647.9)	(620.0)
Net impairment losses on financial and contract assets		(39.9)	(72.5)	(95.6)	(158.2)
Other expenses	7 and 14	(487.5)	(495.2)	(1,611.9)	(1,632.2)
Depreciation and amortisation	4 and 5	(855.6)	(721.6)	(2,498.1)	(2,270.8)
Operating profit		**122.5**	**263.5**	**281.1**	**544.3**
Finance costs	12 and 14	(333.4)	(594.0)	(1,132.2)	(1,833.7)
Finance income	12 and 14	426.0	531.1	1,075.1	1,462.9
Net finance income (costs)		**92.6**	**(62.9)**	**(57.1)**	**(370.8)**
Share of results of equity method investments		(0.3)	(0.3)	(1.0)	0.6
Other income, net		2.2	10.2	10.1	26.9
		94.5	**(53.0)**	**(48.0)**	**(343.3)**
Profit before income taxes		**217.0**	**210.5**	**233.1**	**201.0**
Income tax benefit (expense)	13	2.6	(22.7)	71.2	85.3
Net profit		**£ 219.6**	**£ 187.8**	**£ 304.3**	**£ 286.3**
Net profit attributable to:					
Owners		£ 224.3	£ 187.9	£ 324.3	£ 284.8
NCI	15	(4.7)	(0.1)	(20.0)	1.5
Net profit		**£ 219.6**	**£ 187.8**	**£ 304.3**	**£ 286.3**

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Comprehensive Income or (Loss) (unaudited)

	Note References	Three months ended 30 September		Nine months ended 30 September	
		2026	2025	2026	2025
		in millions		in millions	
Net profit		**£ 219.6**	**£ 187.8**	**£ 304.3**	**£ 286.3**
Other comprehensive (loss) income, net of taxes:					
Items that have been or may be reclassified to the statement of profit or (loss):					
Foreign currency translation adjustments		(0.2)	5.6	4.0	(20.3)
Items that will not be reclassified to the statement of profit or (loss):					
Defined benefit-related adjustments[(a)]		(5.7)	—	(6.6)	—
Other comprehensive (loss) income		**(5.9)**	**5.6**	**(2.6)**	**(20.3)**
Comprehensive income		**£ 213.7**	**£ 193.4**	**£ 301.7**	**£ 266.0**
Comprehensive income attributable to:					
Owners		£ 218.4	£ 193.5	£ 321.7	£ 264.5
NCI	15	(4.7)	(0.1)	(20.0)	1.5
Comprehensive income		**£ 213.7**	**£ 193.4**	**£ 301.7**	**£ 266.0**

(a) The defined benefit-related adjustment primarily reflects the remeasurement of the defined benefit section of the Telefonica UK Pension Plan following its buyout, including the associated tax impact.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Changes in Equity (unaudited)

	Share capital	APIC	Other reserves	Accumulated profit	Accumulated other comprehensive loss	Total owner's equity	NCI	Total combined equity
	in millions							
Balance at 1 January 2026	**£ —**	**£ 214.1**	**£ 661.6**	**£ 18,253.7**	**£ (362.8)**	**£18,766.6**	**£ (146.2)**	**£18,620.4**
Net profit (loss)	—	—	—	324.3	—	324.3	(20.0)	304.3
Other comprehensive loss	—	—	—	—	(2.6)	(2.6)	—	(2.6)
Finalised recognition of Daisy Group NCI [(a)] (note 15)	—	—	—	—	—	—	(17.2)	(17.2)
Excess consideration following finalisation of the consolidation of O2 Business [(a)]	—	—	(8.7)	—	—	(8.7)	—	(8.7)
Dividends (note 15)	—	—	—	—	—	—	(30.0)	(30.0)
Balance at 30 September 2026	**£ —**	**£ 214.1**	**£ 652.9**	**£ 18,578.0**	**£ (365.4)**	**£19,079.6**	**£ (213.4)**	**£18,866.2**

(a) Finalisation of the consolidation of O2 Business has resulted in an impact of £(17.2) million to NCI and £(8.7) million to Other Reserves.

	Share capital	APIC	Other reserves	Accumulated profit	Accumulated other comprehensive loss	Total owner's equity	NCI	Total combined equity
	in millions							
Balance at 1 January 2025	**£ —**	**£ 214.1**	**£ 322.7**	**£ 19,010.0**	**£ (336.5)**	**£19,210.3**	**£ 209.2**	**£19,419.5**
Net profit	—	—	—	284.8	—	284.8	1.5	286.3
Other comprehensive loss	—	—	—	—	(20.3)	(20.3)	—	(20.3)
Share-based compensation	—	—	—	0.1	—	0.1	—	0.1
Initial recognition of Daisy Group NCI	—	—	—	—	—	—	(89.7)	(89.7)
Excess consideration following the consolidation of O2 Business	—	—	126.4	—	—	126.4	—	126.4
Dividends (note 15)	—	—	—	—	—	—	(84.2)	(84.2)
Balance at 30 September 2025	**£ —**	**£ 214.1**	**£ 449.1**	**£ 19,294.9**	**£ (356.8)**	**£19,601.3**	**£ 36.8**	**£19,638.1**

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (unaudited)

	Note References	Nine months ended 30 September 2026	2025
		in millions	
Cash flows from operating activities:			
Net profit		**£ 304.3**	**£ 286.3**
Adjustments to reconcile net profit to net cash provided by operating activities:			
Share-based compensation expense		31.0	54.3
Depreciation and amortisation	4 and 5	2,498.1	2,270.8
Impairment, restructuring and other operating items	4 and 10	61.9	44.7
Amortisation of debt premiums, deferred financing costs and non-cash interest	6	6.5	4.9
Share of results of equity method investments		1.0	(0.6)
Realised and unrealised (gains) losses on derivative instruments	8 and 9	(262.9)	596.1
Foreign currency transaction gains	12	(1.0)	(511.0)
Losses on debt extinguishment	12	1.7	2.6
Deferred income tax benefit	13	(80.6)	(98.6)
Interest paid		(1,006.9)	(922.0)
Income taxes paid		(22.5)	(12.8)
Derivative receipts (payments)	8	53.7	(32.9)
Decrease (increase) in trade and other receivables		4.4	(89.5)
Decrease in contract assets	11	44.9	199.1
Increase in other assets		(737.0)	(596.0)
Decrease in trade payables and accruals		(382.2)	(393.6)
Decrease in contract liabilities	11	(11.6)	(14.3)
Increase in interest accruals	6	983.8	962.1
(Decrease) increase in other liabilities		(29.6)	86.7
Net cash provided by operating activities		**£ 1,457.0**	**£ 1,836.3**
Cash flows from investing activities:			
Capital expenditures	4 and 5	£ (1,060.6)	£ (1,023.0)
Repayments of loans to affiliates (related-party)	14	1,607.6	973.3
Borrowings of loans from affiliates (related-party)	14	(1,601.8)	(511.0)
Cash received from O2 Business Transaction		—	5.9
Other investing activities		(37.9)	21.6
Net cash used by investing activities		**£ (1,092.7)**	**£ (533.2)**

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (unaudited) – continued

	Note References	Nine months ended 30 September 2026	2025
		in millions	
Cash flows from financing activities:			
Repayments of third-party debt and lease obligations:			
Principal payments on operating-related vendor financing	6	£ (2,195.6)	£ (2,124.6)
Principal payments on debt (excluding vendor financing)	6	(3,757.3)	(2,963.2)
Principal payments on capital-related vendor financing	6	(806.2)	(618.5)
Principal payments on leases	7	(148.9)	(137.0)
Borrowings of third-party debt	6	4,298.3	2,884.8
Operating-related vendor financing additions	6	2,233.0	1,817.9
Payment of financing costs and debt premiums	6	(9.4)	(30.9)
Net cash paid related to derivative instruments	8	(22.2)	(90.1)
Dividends paid to non-controlling shareholders	15	(30.0)	(84.1)
Other financing activities		(53.1)	0.7
Net cash used by financing activities		**£ (491.4)**	**£ (1,345.0)**
Effect of exchange rate changes on cash and cash equivalents		(10.6)	6.4
Net decrease in cash and cash equivalents		**(137.7)**	**(35.5)**
Cash and cash equivalents:			
Beginning of period		566.3	646.2
End of period		**£ 428.6**	**£ 610.7**

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Notes to the Condensed Consolidated Financial Statements 30 September 2026 (unaudited)

(1) Basis of Presentation

VMED O2 UK Holdings Limited (**VMED O2**) is domiciled in England and Wales (registered number 13047827). The registered address is 500 Brook Drive, Reading, RG2 6UU. VMED O2 is an integrated communications provider of mobile, broadband internet, video and fixed-line telephony services to residential customers and businesses in the United Kingdom (**UK**).

In these notes, the terms "we", "our", "our Company", "our Group" and "us" may refer, as the context requires, to VMED O2 or collectively to VMED O2 and its subsidiaries. As of 30 September 2026, the primary subsidiaries of VMED O2 include (i) Virgin Media Inc. and its subsidiaries (collectively, **Virgin Media**) and (ii) O2 Holdings Limited and its subsidiaries (collectively, **O2**).

VMED O2 is a wholly-owned subsidiary of VMED O2 UK Limited, which is a 50:50 joint venture (the **Joint Venture**) that was formed on 1 June 2021 between Liberty Global Ltd. (**Liberty Global**) and Telefónica, S.A. (through Telefónica O2 Holdings Limited) (**Telefónica**) (the **Shareholders**) (the **JV Transaction**). In these unaudited Condensed Consolidated Financial Statements, Liberty Global and Telefónica are each referred to as a "Shareholder". Prior to the completion of the JV Transaction, (i) Virgin Media Inc. was a wholly-owned subsidiary of Liberty Global that provided fixed and mobile communications services in the UK and (ii) O2 Holdings Limited was a wholly-owned subsidiary of Telefónica that provided mobile communications services in the UK.

These unaudited, interim Condensed Consolidated Financial Statements for the period ended 30 September 2026, have been prepared in accordance with International Accounting Standard (**IAS**) 34 Interim Financial Reporting. The results of operations for any interim period are not necessarily indicative of results of the full year and do not include all the financial information and disclosures required in the annual financial statements, and therefore should be read in conjunction with our audited 2025 Annual Bond Report and Consolidated Financial Statements, which includes a description of the significant accounting policies followed in these Interim Financial Statements. There have been no changes within our unaudited Condensed Consolidated Financial Statements at 30 September 2026 from the accounting policies adopted within the 2025 Annual Bond Report and Consolidated Financial Statements.

The Company has prepared these unaudited Condensed Consolidated Financial Statements on the basis that it will continue to operate as a going concern. We consider that there are no material uncertainties that may cast significant doubt over this assumption. We have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost convention and are presented in pound sterling, which is our functional currency. Unless otherwise indicated, convenience translations into pound sterling are calculated as of 30 September 2026.

These unaudited Condensed Consolidated Financial Statements reflect our consideration of the accounting and disclosure implications of subsequent events through 23 November 2026. Refer to note 17 for further details on subsequent events.

This report, which has been signed by David Melcon Sanchez-Friera on behalf of the Board, is not the statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of VMED O2 for the year ended 31 December 2025 contain an unmodified audit report under Section 495 of the Companies Act 2006 (which does not make any statements under Section 498 of the Companies Act 2006). The statutory accounts have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006. These Consolidated Non-Statutory Financial Statements were prepared to meet contractual reporting obligations for the purposes of our debt holders.

Business Combinations
Business combinations are accounted for in accordance with International Financial Reporting Standards (**IFRS**) 3 using the acquisition method. Identifiable assets acquired and liabilities assumed are recognised at their acquisition-date fair values. Goodwill is recognised as the excess of the consideration transferred (including any NCI and previously held interest) over the net identifiable assets acquired and is tested annually for impairment. Acquisition-related costs are expensed as incurred.

On 12 May 2025, VMED O2 entered into a contribution agreement with Jet Holdco Limited and Jet Comms Pikco Limited (**Daisy Pikco**) to contribute certain Daisy Group companies (**Daisy Group**) and certain VMED O2 companies, including Virgin Media Business Limited (**VMBL**), to create a new business-to-business (**B2B**) telecommunications business, O2 Business Holdings Limited, which heads the O2 Business Group (**O2 Business**). On 1 August 2025, VMED O2 acquired 70% of O2 Business and Daisy Pikco retained the remaining 30% (the **O2 Business Transaction**). VMED O2 concluded, by virtue of its majority shareholding, that it obtained control of O2 Business at the acquisition date under IFRS 10, and therefore fully consolidates the entity from that date.

VMED O2 recognised the fair value of the Daisy Group's net liabilities (**Daisy Group Net Liabilities**) contributed by Daisy Pikco as part of this transaction. The Daisy Group Net Liabilities were assessed to constitute a business under IFRS 3, and the transaction is accordingly accounted for as a business combination.

There was no change in control over the assets and liabilities

contributed by VMBL. This element of the transaction is outside the scope of IFRS 3 and has been recognised as a business combination under common control and accounted for at book value. The assets and liabilities acquired or transferred are recognised or derecognised at the carrying amounts previously recognised in the ultimate controlling parent company's Consolidated Financial Statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain or loss arising is recognised directly in equity.

VMED O2 elected to measure the NCI arising on the O2 Business Transaction using the proportionate share method. Under this method, the amount of goodwill recognised represents only VMED O2's interest in O2 Business and does not include any goodwill attributable to NCI.

The accounting for this business combination has now been completed, with no material measurement period adjustments impacting the comparative information presented.

In February 2026, InfraVia Capital Partners, Liberty Global and Telefónica announced an agreement to acquire Substantial Group (including the "YouFibre" and "Brsk" brands) for £2.0 billion through their existing joint venture, nexfibre (a related-party for Virgin Media O2). As part of the transaction, Virgin Media O2 will (i) enter into an extended wholesale agreement, a fibre construction agreement, and various other commercial agreements with nexfibre and receive cash proceeds, and an indirect minority stake in the holding company through which Telefónica, InfraVia Capital Partners and Liberty Global currently invest in nexfibre, in consideration for its exclusivity commitment, (ii) sell certain fibre network assets to nexfibre, see note 5, (iii) acquire Substantial Group's retail customers and the "YouFibre" and "Brsk" brands from nexfibre. The transaction remains subject to the Competition and Markets Authority's ongoing Phase 2 review process.

Joint Arrangements
We participate in a number of joint arrangements where control of the arrangement is shared with one or more other parties.

Judgement is required to classify joint arrangements in a separate legal entity as either a joint operation or as a joint venture. This judgement will depend on management's assessment of the legal form and substance of the arrangement taking into account relevant facts and circumstances such as whether the owners have rights to substantially all the economic outputs and, in substance, settle the liabilities of the entity.

The classification can have a material impact on our Condensed Consolidated Financial Statements. We account for an interest in a joint operation by recognising the assets and liabilities and the related revenue, expenses and share of commitments in proportion to our contribution to and participation in the joint operation.

Our investment and share of results of joint ventures are accounted for under the equity method where the share of results of joint ventures are shown within single line items in the Condensed Consolidated Statements of Financial Position and the Condensed Consolidated Statements of Profit or (Loss), respectively.

We have determined our interest in Cornerstone Telecommunications Infrastructure Limited (**Cornerstone**) which is principally engaged in maintaining and managing the non-radio (passive) assets supporting the mobile wireless network of Vodafone Limited (**Vodafone**) and Telefonica UK Limited (**Telefonica UK**) (a subsidiary of VMED O2), to be classified as a joint operation. The minority stakeholder has non-participative rights, and we retain the operational and governance control over Cornerstone. As a result, the assets, liabilities, related revenue, expenses and share of commitments have been recognised in proportion to our contribution to and participation in the joint operation within our Condensed Consolidated Financial Statements.

We have determined our interests in Tesco Mobile Limited (**Tesco Mobile**) to be classified as a joint venture (the **Tesco Mobile JV**). Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in our share of net assets of the joint venture since the acquisition date. Our Condensed Consolidated Statements of Comprehensive Income or (Loss) reflect our share of the results of operations of the Tesco Mobile JV.

Foreign Currency Translation and Transactions
Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our Consolidated Statements of Financial Position related to these non-functional currency transactions result in transaction gains or losses that are reflected in our Consolidated Statements of Profit or (Loss) as unrealised (based on the applicable period end exchange rates) or realised upon settlement of the transactions.

(2) Recent Accounting Pronouncements

Recent Accounting Developments adopted by the Group

The Group applied the following amendments to IFRS Accounting Standards for the first time from 1 January 2026. The below amendments had no impact on the Condensed Consolidated Financial Statements:

Standards and amendments	Title	Mandatory application: annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026

New Accounting Standards, Not Yet Effective

At the date of preparation of these Condensed Consolidated Non-Statutory Financial Statements, the following new IAS and IFRS Accounting Standards and amendments to existing standards had been published, but their application is not currently mandatory and not yet adopted by VMED O2:

Standards and amendments	Title	Mandatory application: annual periods beginning on or after
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19	Subsidiaries without Public Accountability	1 January 2027
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption / effective date deferred indefinitely

We have assessed the impacts of the amendments to IAS 21 as well as the implementation of IFRS 19 on the Condensed Consolidated Financial Statements, referenced above, and do not expect these to have a material impact.

We are currently assessing the impacts of IFRS 18 on the Condensed Consolidated Financial Statements, which will be presented in accordance with this standard from 1 January 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements and introduces, among other changes, new requirements for presentation within the Consolidated Statements of Profit or (Loss) including new totals and subtotals. Furthermore, all income and expenses must be classified into the following categories: operating, investing, financing, income taxes and discontinued operations, with the first three being new.

We do not expect the amendments to IFRS 10 and IAS 28 to have a material impact on the Condensed Consolidated Financial Statements.

(3) Segment Reporting

We have one reportable segment, consistent with the information reviewed by our Chief Executive Officer, determined to be our Chief Operating Decision Maker (**CODM**). This segment primarily provides mobile, broadband internet, video and fixed-line telephony services in the UK to consumer, business and wholesale customers. Effective from the 2026 reporting period, the revenue reporting structure has been revised as set out below.

This revised presentation aligns more closely with our primary customer groups and provides enhanced visibility of Total Service Revenue, a key performance measure used by the CODM to evaluate operating performance. The change is presentational in nature and does not impact total revenue. The "Discussion and Analysis of our Results of Operations" includes further financial information reviewed by the CODM on a Group-wide basis which is therefore not further disaggregated.

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions			
Revenue				
Consumer [a]	**£ 1,845.1**	**£ 1,946.5**	**£ 5,489.8**	**£ 5,759.6**
Mobile Service [b]	808.6	822.6	2,383.7	2,442.9
Fixed Service [c]	754.6	806.2	2,297.8	2,432.0
Business [d]	**298.9**	**286.1**	**909.2**	**788.4**
Business Service [e]	231.7	226.7	703.2	645.8
Wholesale [f]	**273.5**	**273.6**	**793.3**	**782.3**
Wholesale Service [g]	241.8	237.5	702.7	660.9
Network Construction and Other [h]	**9.2**	**43.1**	**23.4**	**225.9**
Total Revenue	**£ 2,426.7**	**£ 2,549.3**	**£ 7,215.7**	**£ 7,556.2**
Memo: Total Service Revenue [i]	2,036.7	2,093.0	6,087.4	6,181.6
Memo: Hardware and Other Revenue [j]	390.0	456.3	1,128.3	1,374.6

(a) 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 revenue decreased £101.4 million or 5.2% and £269.8 million or 4.7% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, driven by a reduction in mobile service and fixed service revenue, as discussed below.

(b) 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 mobile service revenue decreased £14.0 million or 1.7% and £59.2 million or 2.4% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily due to lower contract and prepaid bases partially offset by an increase in contract average revenue per unit (**ARPU**).

(c) 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 fixed service revenue decreased £51.6 million or 6.4% and £134.2 million or 5.5% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily driven by a reduction in customer ARPU.

(d) 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 Business. This includes revenue from fixed and mobile connectivity, and, amongst other items, revenue from Information Technology (**IT**) hardware and services such as cloud and cybersecurity. Business revenue increased £12.8 million or 4.5% and £120.8 million or 15.3% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, primarily due to the consolidation of Daisy Group revenue, partially offset by decreases in business service revenue, as discussed below.

(e) Business service revenue includes revenue from connectivity associated with the fixed and mobile networks, and, amongst other items, revenue from ongoing IT services. Business service revenue increased £5.0 million or 2.2% and £57.4 million or 8.9% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, primarily driven by the consolidation of Daisy Group revenue, partially offset by decreases due to the planned streamlining of the B2B product portfolio and market headwinds.

(f) Wholesale revenue represents revenue generated from customers purchasing fixed and mobile network products on a wholesale basis. Partners include, but are not limited to, Mobile Virtual Network Operators (**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 revenue decreased £0.1 million or 0.0% and increased £11.0 million or 1.4% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. The increase for the nine month comparison is primarily driven by an increase in service revenue, as discussed below, offset by lower non-service revenue.

(g) Wholesale service revenue includes revenue from connectivity utilising VMED O2's fixed and mobile networks, and, amongst other items, revenue from IT services. Wholesale service revenue increased £4.3 million or 1.8% and £41.8 million or 6.3% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These increases are primarily driven by £14.0 million and £44.1 million of fixed pre-enablement and installation income for the three and nine months ended 30 September 2026, respectively, as the Company targets scaling and expanding wholesale fixed services, partially offset by decreased construction activity.

(h) 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. Network construction and other revenue decreased £33.9 million or 78.7% and £202.5 million or 89.6% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily driven by a continued reduction in low-margin nexfibre build activity compared with the prior year periods.

(i) Total service revenue includes revenue from fixed and mobile telecommunications connectivity, and, amongst other items, revenue from selected ongoing IT services.

(j) Hardware and other revenue 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.

(4) Intangible Assets

Changes in the carrying amounts of our goodwill and intangible assets subject to amortisation during the nine months ended 30 September 2026 are as follows:

	Goodwill	Customer relationships	Mobile spectrum licences and other	Computer software	Intangible assets in progress	Total
	in millions					
Cost:						
1 January 2026	**£ 13,551.2**	**£ 8,018.7**	**£ 1,604.9**	**£ 1,288.0**	**£ 154.2**	**£ 24,617.0**
Additions [a]	—	—	94.0	2.4	235.8	332.2
Assets transferred into service	—	—	—	207.8	(207.8)	—
Retirements, disposals and other [b]	(25.9)	—	—	(21.0)	—	(46.9)
30 September 2026	**£ 13,525.3**	**£ 8,018.7**	**£ 1,698.9**	**£ 1,477.2**	**£ 182.2**	**£ 24,902.3**
Accumulated amortisation:						
1 January 2026	**£ (4,128.7)**	**£ (3,946.6)**	**£ (439.7)**	**£ (727.3)**	**£ —**	**£ (9,242.3)**
Amortisation	—	(828.4)	(77.8)	(243.6)	—	(1,149.8)
Retirements, disposals and other [b]	25.9	—	—	23.0	—	48.9
30 September 2026	**£ (4,102.8)**	**£ (4,775.0)**	**£ (517.5)**	**£ (947.9)**	**£ —**	**£ (10,343.2)**
Intangible assets:						
30 September 2026	**£ 9,422.5**	**£ 3,243.7**	**£ 1,181.4**	**£ 529.3**	**£ 182.2**	**£ 14,559.1**
1 January 2026	**£ 9,422.5**	**£ 4,072.1**	**£ 1,165.2**	**£ 560.7**	**£ 154.2**	**£ 15,374.7**

(a) Additions include £94.0 million of spectrum licences, recognised within mobile spectrum licences and other.
(b) Movement includes immaterial acquisition accounting adjustments to goodwill and is not related to goodwill impairment, nor a reversal of a goodwill impairment loss.

Goodwill is not amortised but instead tested for impairment at least annually for our sole cash generating unit (**CGU**). If, amongst other factors, adverse economic, competitive or regulatory developments, or continued volatility in interest rates, credit spreads and other market inputs affecting the weighted average cost of capital (**WACC**) used in our impairment assessment, were to adversely affect our results of operations, cash flows or the recoverable amount of the CGU, we could conclude that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other non-current assets. The value in use of the CGU remains sensitive to changes in the weighted average cost of capital and other key assumptions used in the impairment assessment. On a quarterly basis, we perform a qualitative review of impairment indicators. As a result, there were no impairment indicators identified at 30 September 2026. A quantitative annual assessment will be performed at year end.

(5) Property, Plant and Equipment

Changes in the carrying amounts of our property, plant and equipment during the nine months ended 30 September 2026 are as follows:

	Plant and machinery	Land and buildings	Computer equipment, tools and other items	Property, plant and equipment in progress	Total
	in millions				
Cost:					
1 January 2026	**£ 12,975.9**	**£ 1,433.1**	**£ 1,976.5**	**£ 1,210.2**	**£ 17,595.7**
Additions	59.0	49.2	—	1,243.4	1,351.6
Retirements, disposals and other	(188.8)	(57.1)	(16.0)	(10.7)	(272.6)
Assets transferred into service	1,062.9	39.3	156.4	(1,258.6)	—
Assets transferred to assets held for sale [(a)]	(47.4)	—	—	—	(47.4)
30 September 2026	**£ 13,861.6**	**£ 1,464.5**	**£ 2,116.9**	**£ 1,184.3**	**£ 18,627.3**
Accumulated depreciation:					
1 January 2026	**£ (5,763.1)**	**£ (615.0)**	**£ (1,202.7)**	**£ —**	**£ (7,580.8)**
Depreciation	(933.2)	(144.6)	(270.5)	—	(1,348.3)
Retirements, disposals and other	190.3	40.2	4.2	—	234.7
30 September 2026	**£ (6,506.0)**	**£ (719.4)**	**£ (1,469.0)**	**£ —**	**£ (8,694.4)**
Property, plant and equipment:					
30 September 2026	**£ 7,355.6**	**£ 745.1**	**£ 647.9**	**£ 1,184.3**	**£ 9,932.9**
1 January 2026	**£ 7,212.8**	**£ 818.1**	**£ 773.8**	**£ 1,210.2**	**£ 10,014.9**

(a) The Group classified certain network assets as held for sale as of 30 September 2026, with a carrying value of £96.1 million, of which £47.4 million was reclassified from property, plant and equipment. The assets comprise fibre infrastructure and attributable undertakings and are being disposed of as part of an agreement with nexfibre. The assets meet the criteria to be classified as held for sale under IFRS 5, as they are available for immediate sale in their present condition and the sale is considered highly probable. The Group expects completion within twelve months of classification. The assets have been measured at the lower of their carrying amount and fair value less costs to sell. No impairment loss was recognised upon classification. These assets are included within our one reportable operating segment.

During the nine months ended 30 September 2026 and 2025, we recorded non-cash increases to our property, plant and equipment related to vendor financing arrangements of £551.2 million and £686.5 million, respectively, which exclude related value-added taxes (VAT) of £104.9 million and £127.0 million, respectively, that were also financed under these arrangements.

(6) Debt

The pound sterling equivalents of the components of our third-party debt are as follows:

	30 September 2026		Principal amount	
	Weighted average interest rate [a]	Unused borrowing capacity [b]	30 September 2026	31 December 2025
		in millions	in millions	
VMED O2 Credit Facilities [c]	6.79 %	£ 1,378.0	£ 6,537.6	£ 6,331.7
VMED O2 Senior Secured Notes	5.01 %	—	10,283.7	10,259.6
VMED O2 Senior Notes	4.53 %	—	1,124.8	1,123.8
Vendor financing [d]	7.34 %	—	2,912.7	3,037.2
Cornerstone Debt [e]	5.83 %	71.5	321.0	296.8
Other [f]	5.23 %	—	425.0	189.7
Total third-party debt before deferred financing costs, discounts, premiums and accrued interest [g]	**5.85 %**	**£ 1,449.5**	**£ 21,604.8**	**£ 21,238.8**

The following table provides a reconciliation of total third-party debt before deferred financing costs, discounts, premiums and accrued interest to total debt including interest and lease obligations:

	30 September 2026	31 December 2025
	in millions	
Total third-party debt before deferred financing costs, discounts, premiums and accrued interest	**£ 21,604.8**	**£ 21,238.8**
Deferred financing costs, discounts and premiums, net	(35.9)	(33.2)
Total carrying amount of third-party debt	**21,568.9**	**21,205.6**
Lease obligations (note 7)	813.3	878.6
Total third-party debt and lease obligations	**22,382.2**	**22,084.2**
Accrued interest	339.3	352.2
Related-party debt (note 14)	43.0	34.3
Total debt including interest and lease obligations	**£ 22,764.5**	**£ 22,470.7**
Non-current portion of debt and lease obligations	**£ 19,051.4**	**£ 18,642.9**
Current portion of debt and lease obligations	**£ 3,713.1**	**£ 3,827.8**

(a) Represents the weighted average interest rate in effect at 30 September 2026 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of deferred financing costs, the weighted average interest rate on our aggregate third-party variable and fixed-rate indebtedness was 5.32% at 30 September 2026. For information regarding our derivative instruments, see note 8.

(b) Unused borrowing capacity under the VMED O2 Credit Facilities amounts to £1,378.0 million, under the Revolving Credit Facility maturing in September 2029. Unused borrowing capacity represents the availability under the VMED O2 Credit Facilities at 30 September 2026 without regard to covenant compliance calculations or other conditions precedent to borrowing. At 30 September 2026, £1,378.0 million of unused borrowing capacity was available to be borrowed and upstreamed ultimately to VMED O2 UK Limited. Upon completion of the relevant 30 September 2026 compliance reporting requirements, and in accordance with the terms of the VMED O2 Credit Facilities, we expect £1,378.0 million of unused borrowing capacity will continue to be available to draw and upstream. Our above expectations do not consider any actual or potential changes to our borrowing levels or any amounts loaned or distributed subsequent to 30 September 2026, or the impact of additional amounts that may be available to borrow, loan or distribute under the terms of the VMED O2 Credit Facilities. The Cornerstone Debt (as defined and described in (e) below) includes two revolving loan facilities with maximum borrowing capacity of £260.0 million. At 30 September 2026, our proportional share of the unused borrowing capacity of the Cornerstone Debt was £71.5 million.

(c) As of 30 September 2026 and 31 December 2025, principal amounts include £305.2 million and £94.0 million, respectively, of borrowings pursuant to excess cash facilities under the VMED O2 Credit Facilities. These borrowings are owed to certain non-consolidated special purpose financing entities (**SPE**) that have issued notes to finance the purchase of receivables due from certain of our subsidiaries to certain other third parties for amounts that we and our subsidiaries have vendor financed. For information regarding our vendor financing arrangements, see Maturities of Debt section and Vendor Financing Obligations section below.

(d) Represents amounts owed to various creditors pursuant to interest-bearing vendor financing arrangements that are used to finance certain property, plant and equipment additions and operating expenses. These arrangements extend our repayment terms beyond a vendor's ordinary due dates (e.g., extension beyond a vendor's customary payment terms) and as such are classified outside of accounts payable as debt in our Condensed Consolidated Statements of Financial Position. These obligations are generally due within one year and include VAT that was also financed under these arrangements. For purposes of our Condensed Consolidated Statements of Cash Flows, operating-related expenses financed by an intermediary are treated as constructive operating cash outflows and constructive financing cash inflows when the intermediary settles the liability with the vendor as there is no actual cash outflow until we pay the financing intermediary. During the nine months ended 30 September 2026 and 2025, the constructive cash outflows included in cash flows from operating activities and the corresponding constructive cash inflows included in cash flows from financing activities related to these operating expenses were £2,233.0 million and £1,817.9 million, respectively. Repayments of vendor financing obligations at the time we pay the financial intermediary are included in repayments of third-party debt and lease obligations in our Condensed Consolidated Statements of Cash Flows.

(e) Represents our proportional share of the third-party debt of Cornerstone, a £525.0 million term loan facility and two revolving loan credit facilities totalling £260.0 million (collectively, the **Cornerstone Debt**) issued at par and bearing interest at a rate of Sterling Overnight Index Average (**SONIA**) + 2.100%, subject to a SONIA floor of 0.0% and maturing on 12 May 2030. We have determined our interest in Cornerstone, which is principally engaged in maintaining and managing the passive assets supporting the mobile wireless network of Vodafone and Telefonica UK (a subsidiary of VMED O2), to be classified as a joint operation. Under the joint operations agreement, unanimous consent is required from all parties to the agreement for all significant activities. As such, the assets, liabilities (including the Cornerstone Debt), revenue, expenses and share of commitments have been recognised in proportion to VMED O2's contribution to the joint operation within our Condensed Consolidated Financial Statements, see note 15 for further details.

(f) Represents amounts due to various financial institutions in relation to our securitisation arrangements.

(g) As of 30 September 2026 and 31 December 2025, our debt had an estimated fair value of £18.1 billion and £20.7 billion, respectively. The estimated fair values of our debt instruments are generally determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy). For additional information regarding fair value hierarchies, see note 9.

Financing Transactions

Below we provide summary descriptions of certain financing transactions completed during 2026. In general, a portion of our financing transactions may include non-cash borrowings and repayments. During the three months ended 30 September 2026 and 2025, we had no non-cash borrowings and repayments.

In January 2026, Virgin Media O2 Vendor Financing Notes V Designated Activity Company (**Virgin Media O2 Financing V Company**), a third-party SPE that is outside of the Group issued £175.0 million aggregate principal amount of 7.875% Vendor Financing Notes due 2032 (the **Additional Notes**) as an add on to its existing £400.0 million aggregate principal amount of 7.875% Vendor Financing Notes due 2032 (the **Original Notes** and together with the Additional Notes, the **2032 Vendor Financing Notes**). The proceeds from the Additional Notes, together with the proceeds from the Original Notes, are to be used to (i) purchase eligible payment obligations and accounts receivable of Virgin Media Investment Holdings Limited (**VMIH**) and certain other Virgin Media O2 subsidiaries, and (ii) to the extent that the proceeds from the 2032 Vendor Financing Notes exceed the amount of vendor financed receivables available for purchase, the excess proceeds are used to fund excess cash facilities to VMIH.

In January 2026, Virgin Media O2 Vendor Financing Notes VI Designated Activity Company (**Virgin Media O2 Financing VI Company**), a third-party SPE that is outside of the Group issued $500.0 million principal amount of 8.500% vendor financing notes at par due 15 March 2033.

In January 2026, Virgin Media O2 Vendor Financing Notes VII Designated Activity Company (**Virgin Media O2 Financing VII Company**), a third-party SPE that is outside of the Group issued €550.0 million principal amount of 7.500% vendor financing notes at par due 15 March 2033.

In January 2026, Virgin Media O2 Vendor Financing Notes VIII Designated Activity Company (**Virgin Media O2 Financing VIII Company**), a third-party SPE that is outside of the Group issued £250.0 million principal amount of 8.875% vendor financing notes at par due 15 March 2033.

The proceeds of the Vendor Financing Notes due 15 March 2033 (collectively, the **2033 Vendor Financing Notes**) are to be used to (i) purchase eligible payment obligations and accounts receivable of VMIH and certain other Virgin Media O2 subsidiaries, and (ii) to the extent that the proceeds from the 2033 Vendor Financing Notes exceed the amount of vendor financed receivables available for purchase, the excess proceeds are used to fund excess cash facilities to VMIH.

In January 2026, VMED O2 issued a €920.0 million term loan (**Term Loan AF**), maturing on 15 October 2031 and bearing interest at a rate of Euro Interbank Offered Rate (**EURIBOR**) + 3.000%, subject to adjustment based on the achievement or otherwise of certain Environmental, Social, Governance (**ESG**) metrics. Proceeds were used to (i) prepay €74.6 million of Term Loan Z and €151.1 million of Term Loan O and (ii) purchase €645.4 million of Term Loan Z and €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 interest at a rate of SONIA + 3.250% per annum, subject to adjustment based on the achievement or otherwise of certain ESG metrics.

In September 2026, VMED O2 entered into a £200.0 million transaction to securitise additional receivables. See note 17 for details of a repurchase of receivables from a third-party SPE which occurred in parallel and completed in October 2026.

We made drawings and repayments under the Revolving Credit Facility. As of 30 September 2026, no balance remains drawn from the Revolving Credit Facility.

Maturities of Debt

Maturities of our debt as of 30 September 2026 are presented below:

	Third-party debt [a]	Related-party debt	Total
	in millions		
Year ending 31 December:			
2026 (remainder of the year) [b]	£ 925.9	£ —	£ 925.9
2027	2,251.8	43.0	2,294.8
2028	21.9	—	21.9
2029	3,423.6	—	3,423.6
2030	4,931.3	—	4,931.3
2031	5,918.0	—	5,918.0
Thereafter	4,132.3	—	4,132.3
Total debt maturities [c]	**£ 21,604.8**	**£ 43.0**	**£ 21,647.8**
Accrued interest	339.3	—	339.3
Deferred financing costs, discounts and premiums, net	(35.9)	—	(35.9)
Total debt	**£ 21,908.2**	**£ 43.0**	**£ 21,951.2**
Non-current portion	**£ 18,415.9**	**£ —**	**£ 18,415.9**
Current portion	**£ 3,492.3**	**£ 43.0**	**£ 3,535.3**

(a) Amounts include SPE Notes issued by the SPEs which, as described above, are consolidated by VMED O2.
(b) Amounts include short-term obligations in respect of 2032 Vendor Financing Notes and 2033 Vendor Financing Notes.
(c) Amounts include third-party and related-party vendor financing obligations of £2,955.7 million, as set forth below (in millions):

Year ending 31 December:	
2026 (remainder of the year)	£ 630.4
2027	2,294.8
2028	17.6
2029	4.2
2030	5.7
2031	2.9
Thereafter	0.1
Total vendor financing maturities [a][b]	**£ 2,955.7**
Non-current portion	**£ 53.6**
Current portion	**£ 2,902.1**

(a) Virgin Media O2 Vendor Financing Notes V have issued £575.0 million equivalent of notes maturing in March 2032. Virgin Media O2 Financing VI Company, Virgin Media O2 Financing VII Company and Virgin Media O2 Financing VIII Company issued an aggregate £1,097.1 million equivalent of notes maturing in March 2033 (together the **VM Financing Companies**). The net proceeds from these notes are used by the VM Financing Companies to purchase from various third parties certain vendor financed receivables owed by certain of our subsidiaries. To the extent the proceeds from these notes exceed the amount of vendor financed receivables available to be purchased, the excess proceeds are used to fund excess cash facilities under our senior credit facilities. The VM Financing Companies can request the excess cash facilities be repaid by certain of our subsidiaries as additional vendor financed receivables become available for purchase.
(b) Amount includes third-party debt of £2,912.7 million and related-party debt of £43.0 million.

Vendor Financing Obligations

A reconciliation of the beginning and ending balances of our vendor financing obligations for the indicated periods is set forth below:

	2026	2025
	in millions	
Balance at 1 January	**£ 3,071.5**	**£ 2,984.2**
Operating-related vendor financing additions	2,233.0	1,817.9
Capital-related vendor financing additions	656.1	813.5
Principal payments on operating-related vendor financing	(2,195.6)	(2,124.6)
Principal payments on capital-related vendor financing	(806.2)	(618.5)
Foreign currency and other	(3.1)	5.0
Balance at 30 September [(a)]	**£ 2,955.7**	**£ 2,877.5**

(a) The balance at 30 September 2026 and 2025 includes third-party debt of £2,912.7 million and £2,870.9 million, respectively, and related-party debt of £43.0 million and £6.6 million, respectively.

(7) Leases

General

We enter into leases for network equipment and real estate.

Right-of-use (ROU) Assets

A summary of the changes in our ROU assets for the nine months ended 30 September 2026 is set forth below:

	Plant and machinery	Land and buildings	Total
	in millions		
Cost:			
1 January 2026	**£ 379.5**	**£ 1,057.1**	**£ 1,436.6**
Additions	59.0	49.2	108.2
Retirements and disposals	(37.1)	(55.2)	(92.3)
30 September 2026	**£ 401.4**	**£ 1,051.1**	**£ 1,452.5**
Accumulated depreciation:			
1 January 2026	**£ (211.0)**	**£ (412.6)**	**£ (623.6)**
Depreciation	(56.3)	(110.8)	(167.1)
Retirements and disposals	24.8	37.2	62.0
30 September 2026	**£ (242.5)**	**£ (486.2)**	**£ (728.7)**
ROU assets:			
30 September 2026	**£ 158.9**	**£ 564.9**	**£ 723.8**
1 January 2026	£ 168.5	£ 644.5	£ 813.0

Our ROU assets are included in property, plant and equipment, in our Condensed Consolidated Statements of Financial Position. During the nine months ended 30 September 2026 and 2025, we recorded non-cash additions to our ROU assets associated with leases of £108.2 million and £101.4 million, respectively. At 30 September 2026, the weighted average remaining lease term of our ROU assets was 8.4 years and the weighted average discount rate was 6.1%.

Lease Liabilities

Maturities of our lease liabilities as of 30 September 2026 are presented below (in millions):

Not later than one year	£	220.1
Later than one year and not later than five years		482.1
Later than five years		382.2
Total payments	**£**	**1,084.4**
Less: present value discount		(271.1)
Present value of lease payments	**£**	**813.3**
Non-current portion [(a)]	**£**	**635.5**
Current portion [(a)]	**£**	**177.8**

(a)The non-current and current portions of our lease liabilities are included within non-current portion of debt and lease obligations and current portion of debt and lease obligations, respectively, in our Condensed Consolidated Statements of Financial Position.

Lease Expense

A summary of our aggregate lease expense is set forth below:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Depreciation:				
Land and buildings	£ 31.2	£ 29.8	£ 110.8	£ 87.4
Plant and machinery	18.9	16.5	56.3	52.2
Total depreciation[(a)]	**£ 50.1**	**£ 46.3**	**£ 167.1**	**£ 139.6**
Interest expense [(a)]	12.8	12.5	37.3	36.2
Total lease expense	**£ 62.9**	**£ 58.8**	**£ 204.4**	**£ 175.8**

(a)Depreciation and interest expense are included within depreciation and amortisation and finance costs, respectively, in our Condensed Consolidated Statements of Profit or (Loss).

Expenses relating to leases of low-value assets and short-term leases for which no ROU asset or lease liability has been recognised were not material.

Cash Flows from Leases

Our total cash outflows from leases recorded during the nine months ended 30 September 2026 and 2025 were £186.1 million and £176.7 million, respectively.

(8) Derivative Instruments

In general, we enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements, particularly with respect to borrowings that are denominated in a currency other than the functional currency of the borrowing entity. In this regard, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the United States (**US**) dollar ($) and the euro (**€**). We do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in finance income or costs in our Condensed Consolidated Statements of Profit or (Loss).

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	30 September 2026			31 December 2025		
	Non-current	Current	Total	Non-current	Current	Total
			in millions			
Assets:						
Cross-currency derivative contracts [(a)]	£ 168.4	£ 67.4	£ 235.8	£ 155.3	£ 37.8	£ 193.1
Interest rate derivative contracts [(a)]	274.0	221.8	495.8	236.3	193.1	429.4
Foreign currency forward and option contracts	—	1.8	1.8	—	0.6	0.6
Total	**£ 442.4**	**£ 291.0**	**£ 733.4**	**£ 391.6**	**£ 231.5**	**£ 623.1**
Liabilities:						
Cross-currency derivative contracts [(a)]	£ 382.7	£ 149.5	£ 532.2	£ 496.9	£ 110.3	£ 607.2
Interest rate derivative contracts [(a)]	3.5	62.1	65.6	26.8	83.6	110.4
Foreign currency forward and option contracts	—	1.8	1.8	—	3.2	3.2
Total	**£ 386.2**	**£ 213.4**	**£ 599.6**	**£ 523.7**	**£ 197.1**	**£ 720.8**

(a) We consider credit risk relating to our and our counterparties' non-performance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains of £81.1 million and £105.9 million during the three and nine months ended 30 September 2026, respectively and net losses of £36.0 million and £9.2 million during the three and nine months ended 30 September 2025, respectively. These amounts are included in finance costs and finance income in our Condensed Consolidated Statements of Profit or (Loss). For additional information regarding our fair value measurements, see note 9.

The details of our realised and unrealised gains (losses) on derivative instruments, net, are set forth below:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Cross-currency derivative contracts	£ 8.9	£ 268.8	£ 27.8	£ (579.5)
Interest rate derivative contracts	142.6	49.9	236.9	(24.2)
Foreign currency forward and option contracts	0.7	0.3	(1.8)	7.6
Total	**£ 152.2**	**£ 319.0**	**£ 262.9**	**£ (596.1)**

The cash received or paid related to our derivative instruments is classified as an operating or financing activity in our Condensed Consolidated Statements of Cash Flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. The following table sets forth the classification of the net cash inflows (outflows) of our derivative instruments:

	Nine months ended 30 September	
	2026	2025
	in millions	
Operating activities	£ 53.7	£ (32.9)
Financing activities	(22.2)	(90.1)
Total	**£ 31.5**	**£ (123.0)**

Counterparty Credit Risk

We are exposed to the risk that the counterparties to our derivative instruments will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions, however notwithstanding, given the size of our derivative portfolio, the default of certain counterparties could have a significant impact on our Condensed Consolidated Statements of Profit or (Loss). Collateral is generally not posted by either party under the terms of our derivative instruments. At 30 September 2026 and 31 December 2025, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of £228.8 million and £124.0 million, respectively.

We have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements are limited to the derivative instruments governed by the relevant master agreement and are independent of similar arrangements.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in the event of an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

Details of our Derivative Instruments

Cross-currency Swap Contracts

We generally match the denomination of our borrowings with the functional currency of the supporting operations or, when it is more cost effective, we provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At 30 September 2026, substantially all of our debt was either directly or synthetically matched to the functional currency of the borrowing entity. The following table sets forth the total notional amounts and the related weighted average remaining contractual lives of our cross-currency swap contracts:

30 September 2026					31 December 2025				
Notional amount due from counterparty		Notional amount due to counterparty		Weighted average remaining life	Notional amount due from counterparty		Notional amount due to counterparty		Weighted average remaining life
in millions		in millions		in years	in millions		in millions		in years
$ 13,408.9		£ 10,536.3	(a)	2.6	$ 13,408.9		£ 10,557.4	(a)	3.3
€ 7,810.0		£ 6,914.3	(a)	3.8	€ 7,060.0		£ 6,264.7	(a)	4.4
$ 166.6		€ 150.0		1.8	$ 166.6		€ 150.0		2.5

(a) Includes certain derivative instruments that are "forward-starting", such that the initial exchange occurs at a date subsequent to 30 September 2026. These instruments are typically entered into in order to extend existing hedges without the need to amend existing contracts.

Interest Rate Swap Contracts

The following table sets forth the total pound sterling equivalents of the notional amounts and the related weighted average remaining contractual lives of our interest rate swap contracts:

	Pay fixed rate [a]		Receive fixed rate	
	Notional amount	Weighted average remaining life	Notional amount	Weighted average remaining life
	in millions	in years	in millions	in years
30 September 2026	£ 11,176.3	2.4	£ 2,817.7	0.7
31 December 2025	£ 12,486.3	2.8	£ 3,648.7	0.9

(a) Includes forward-starting derivative instruments.

Basis Swaps

Our basis swaps involve the exchange of attributes used to calculate our floating interest rates, including (i) the benchmark rate, (ii) the underlying currency and (iii) the borrowing period. We typically enter into these swaps to optimise our interest rate profile based on our current evaluations of yield curves, our risk management policies and other factors. At 30 September 2026 and 31 December 2025, the total pound sterling equivalent of the notional amounts due from the counterparty was £3.0 billion and £1.8 billion, respectively. The related weighted average remaining contractual life of our basis swap contracts at 30 September 2026 and 31 December 2025 was 0.2 years and 0.6 years, respectively.

Interest Rate Caps and Floors

From time to time, we enter into interest rate cap and floor agreements. Purchased interest rate caps lock in a maximum interest rate if variable rates rise, but also allow our Company to benefit from declines in market rates. Purchased interest rate floors protect us from interest rates falling below a certain level, generally to match a floating rate floor on a debt instrument. At 30 September 2026, the pound sterling equivalent of the notional amounts of our purchased interest rate caps and floors were £0.6 billion and £5.3 billion, respectively. Interest rate floors in a buy position total £5.4 billion offset by floors in a sell position of £0.1 billion. At 31 December 2025, the pound sterling equivalent of the notional amounts of our purchased interest rate caps and floors were £1.3 billion and £5.2 billion, respectively.

Impact of Derivative Instruments on Borrowing Costs

Excluding forward-starting instruments, the impact of the derivative instruments that mitigate our foreign currency and interest rate risk, as described above, was a decrease of 68 basis points and 54 basis points to our borrowing costs at 30 September 2026 and 31 December 2025, respectively.

Foreign Currency Forwards and Swaps

We enter into foreign currency forward and swap contracts with respect to non-functional currency exposure. As of 30 September 2026 and 31 December 2025, the total of the notional amounts of our foreign currency forward and option contracts was £362.7 million and £321.7 million, respectively.

(9) Fair Value Measurements

We use the fair value method to account for our derivative instruments. The reported fair values of these instruments as of 30 September 2026 are unlikely to represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities.

In order to manage our interest rate and foreign currency exchange risk, we have entered into various derivative instruments, as further described in note 8. The recurring fair value measurements of these instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these instruments. This observable data mostly includes currency rates, interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We use a Monte Carlo based approach to incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own non-performance risk and the non-performance risk of our counterparties. The inputs used for our credit risk valuations, including our and our counterparties' credit spreads, represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to these instruments. As we would not expect these parameters to have a significant impact on the valuations of these instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 8.

Fair value measurements are also used for non-recurring valuations performed in connection with acquisition accounting and impairment assessments. These non-recurring valuations primarily include intangible assets subject to amortisation (note 4), property, plant and equipment (note 5), customer relationships, mobile spectrum licences and the implied value of goodwill (note 4). The implied value of goodwill is determined by allocating the fair value of a CGU to all of the assets and liabilities of that unit as if the CGU had been acquired in a business combination, with the residual amount allocated to goodwill. All of our non-recurring valuations, except for third-party debt, as further described below, use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy.

In 2025, additional non-recurring valuations were performed in connection with the acquisition accounting for the O2 Business Transaction, all of which fall under Level 3 of the fair value hierarchy. The following list sets forth the primary non-recurring valuations performed related to certain assets and liabilities upon closing the transaction:

- **Enterprise value.** The valuation of the Daisy Group and VMBL is based on discounted cash flow and market approach analysis. With the exception of certain inputs of our WACC and discount rate calculations, the inputs used in our discounted cash flow analysis, such as forecasts of future cash flows, are based on our assumptions. The discount rate used for the valuation of the Daisy Group is the internal rate of return (**IRR**) of 8.3% which takes into account the split of shareholding. This falls within the Daisy Group's WACC range of 7.9% to 9.1%. The discount rate used for the valuation of VMBL is WACC of 8.5%.
- **Customer relationships.** The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The multi-period excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer relationship, contributory asset charges and other factors. The discount rate used was 7.6%, which is the IRR with a duration adjustment. The accounting for this business combination has now been completed.

All the fair values of our financial assets, financial liabilities and inventory equate to the carrying values, except for the debt obligations. Refer to note 6 for additional information.

(10) Provisions

A summary of the changes in our provisions during the nine months ended 30 September 2026 is set forth below:

	Restructuring [a]	Asset retirement obligations [b]	Other	Total
	in millions			
Balance at 1 January 2026	**£ 6.2**	**£ 152.4**	**£ 3.1**	**£ 161.7**
Additions to property, plant and equipment and other	17.2	5.4	—	22.6
Disposals of property, plant and equipment and other	—	(4.2)	—	(4.2)
Net charges included in other expenses in the Condensed Consolidated Statements of Profit or (Loss)	53.6	2.6	2.5	58.7
Cash payments	(51.4)	(1.8)	—	(53.2)
Balance at 30 September 2026	**£ 25.6**	**£ 154.4**	**£ 5.6**	**£ 185.6**
Non-current	**£ —**	**£ 138.4**	**£ 1.6**	**£ 140.0**
Current	**£ 25.6**	**£ 16.0**	**£ 4.0**	**£ 45.6**

(a) Restructuring provisions include the full cost of planned business restructuring programmes entered into during the year, which are expected to be completed within the next 12 months.

(b) VMED O2 has certain legal obligations, principally relating to the restoration of leased property to its original condition at the end of the lease term. The provision is based on assumptions covering the discount rate, expected lease renewals and the expected cost of restoring the sites. The payment dates of these asset retirement costs are uncertain, but as of 30 September 2026, are anticipated to be over the next 19 years. The provision recognised represents the best estimate of the expenditure required to settle the present obligation at 30 September 2026. Such cost estimations, expressed at current price levels at the date of the estimate are discounted using the weighted average rates at 30 September 2026 and 31 December 2025 using per annum rates in the range of 5.2% and 4.7%, respectively. The initial discounted cost amount has been capitalised as part of property, plant and equipment and depreciated over the life of the assets.

(11) Revenue Recognition and Related Costs

Contract Assets & Liabilities

Our contract assets were £523.7 million and £598.8 million as of 30 September 2026 and 31 December 2025, respectively. The non-current and current portions of our contract assets are included within trade receivables and other non-current assets and trade receivables and other current assets, respectively, in our Condensed Consolidated Statements of Financial Position.

Our contract liabilities were £658.4 million and £654.0 million as of 30 September 2026 and 31 December 2025, respectively. The non-current and current portions of our contract liabilities are included within trade payables and other non-current liabilities and trade payables and other current liabilities, respectively, in our Condensed Consolidated Statements of Financial Position.

Contract-related Costs

Contract-related costs refer to incremental costs incurred to obtain customer contracts, principally sales commissions. These are recognised as assets and amortised over the applicable period benefited, generally the average customer life. Our contract-related costs were £160.2 million and £127.9 million as of 30 September 2026 and 31 December 2025, respectively. The non-current and current portions are included within trade receivables and other non-current assets and trade receivables and other current assets, respectively, in our Condensed Consolidated Statements of Financial Position. We amortised £21.0 million and £80.3 million during the three and nine months ended 30 September 2026, respectively, and £36.0 million and £120.5 million during the three and nine months ended 30 September 2025, respectively, to operating costs and expenses related to these assets.

(12) Finance Costs and Income

A summary of the finance costs and income that are included in our net finance income (costs) is set forth below:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Finance costs:				
Interest expense	£ (333.4)	£ (325.9)	£ (990.3)	£ (968.8)
Realised and unrealised losses on derivative instruments	—	—	—	(596.1)
Foreign currency transaction losses	—	(265.8)	(140.2)	(265.8)
Losses on debt extinguishment	—	(2.3)	(1.7)	(2.6)
Other financial expense	—	—	—	(0.4)
Total finance costs	**£ (333.4)**	**£ (594.0)**	**£ (1,132.2)**	**£ (1,833.7)**
Finance income:				
Interest income	£ 226.6	£ 212.1	£ 671.0	£ 686.1
Realised and unrealised gains on derivative instruments	152.2	319.0	262.9	—
Foreign currency transaction gains	47.2	—	141.2	776.8
Total finance income	**£ 426.0**	**£ 531.1**	**£ 1,075.1**	**£ 1,462.9**
Net finance income (costs)	**£ 92.6**	**£ (62.9)**	**£ (57.1)**	**£ (370.8)**

(13) Income Taxes

Our interim tax benefit or expense is calculated in accordance with IAS 34 — Interim Financial Reporting and is based on management's best estimate of the effective tax rate for the period applied to profit or loss before income taxes and adjusted for tax on discrete items. The major components of income tax benefit (expense) included in our Condensed Consolidated Statements of Profit or (Loss) are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Income taxes:				
Current income tax benefit (expense)	£ 3.7	£ (10.6)	£ (9.4)	£ (13.3)
Deferred income tax (expense) benefit relating to origination and reversal of temporary differences	(1.1)	(12.1)	80.6	98.6
Total income tax benefit (expense)	**£ 2.6**	**£ (22.7)**	**£ 71.2**	**£ 85.3**

The effective tax rates for the three and nine months ended 30 September 2026 were (1.2)% and (30.5)%, respectively. This results in income tax benefits rather than the expected expense of £54.3 million and £58.3 million for the three and nine months ended 30 September 2026, respectively, based on the UK corporate tax rate of 25.0%. These differences are primarily due to the positive impact of group relief claimed for nil consideration, partially offset by the negative impacts of (i) certain income subject to US federal income tax and (ii) for the nine month period, expenses not deductible for tax purposes.

The effective tax rates for the three and nine months ended 30 September 2025 were 10.8% and (42.4)%, respectively. This results in, for the three month period, an income tax expense lower than the expected income tax expense of £52.6 million and, for the nine month period, an income tax benefit rather than the expected income tax expense of £50.3 million, based on the UK corporate income tax rate of 25.0%. These differences are primarily due to the positive impacts of (i) group relief claimed for nil consideration and (ii) for the nine month period, adjustments with respect to prior years, partially offset by the negative impacts of (a) certain income subject to US federal income tax and (b) expenses not deductible for tax purposes.

In addition to the factors described above, period-to-period changes in the effective tax rate may result from fluctuations in pre-tax income or loss, which affect the relative impact of tax reconciling items.

On 4 July 2025, the One Big Beautiful Bill Act was enacted in the US. Certain international provisions of the legislation are effective for tax years beginning after 31 December 2025. These provisions may have implications in future periods; however, based on the information available as of the reporting date, they are not currently expected to have a material impact on our Consolidated Financial Statements.

A global minimum effective tax rate of 15.0% applies in the UK for accounting periods starting on or after 31 December 2023. The legislation implements a domestic top-up tax and a multinational top-up tax. This legislation did not have an impact on our Condensed Consolidated Financial Statements as of 30 September 2026. We will continue to monitor future legislation and any additional guidance that is issued.

(14) Related-party Transactions

Our significant related-party agreements are set forth below.

Shareholders Agreement
We are a wholly-owned subsidiary of VMED O2 UK Limited. In connection with the JV Transaction, on 1 June 2021, Liberty Global and Telefónica entered into a shareholders agreement (the **Shareholders Agreement**). Each Shareholder holds 50% of the issued share capital of VMED O2 UK Limited. The Shareholders Agreement contains customary provisions for the governance of a 50:50 joint venture that result in Liberty Global and Telefónica having joint control over decision making with respect to the Joint Venture.

The Shareholders Agreement also provides (i) for a dividend policy that requires VMED O2 UK Limited, subject to certain exceptions, to distribute all unrestricted cash to the Shareholders as soon as reasonably practicable following each quarterly period (subject to our Company maintaining a minimum amount of cash and complying with the terms of our financing arrangements) and (ii) that VMED O2 UK Limited will be managed with a target leverage ratio between 4.0 and 5.0 times Adjusted EBITDA (as defined in the Shareholders Agreement), including the completion of periodic recapitalisations and/or refinancings.

Charges for JV Services - Framework Services Agreements
Pursuant to the framework services agreements (collectively, the **JV Service Agreements**) entered into in connection with the closing of the JV Transaction, Liberty Global and Telefónica charge VMED O2 UK Limited fees, which our parent passes through, for certain services provided to us by the Shareholders and their respective subsidiaries (collectively, the **JV Services**). The JV Services are provided to us on a transitional or ongoing basis. Pursuant to the terms of the JV Service Agreements, both the ongoing services and transitional services are provided for specified terms from the 1 June 2021 formation of the Joint Venture. The JV Services provided by the Shareholders and their respective subsidiaries consist primarily of (i) technology and other services, (ii) capital-related expenditures for assets that we use or otherwise benefit us, (iii) brand name and procurement fees and (iv) certain corporate services. The fees that Liberty Global and Telefónica charge us for the JV Services, as set forth in the table below, include both fixed and usage-based fees.

Fibre Joint Venture Agreements
nexfibre is a joint venture between our Shareholders, Liberty Global and Telefónica, along with investment firm InfraVia Capital Partners. VMED O2 is the anchor wholesale client of nexfibre in addition to providing a range of construction and corporate services to support nexfibre's fibre roll-out.

O2 Business
The O2 Business Transaction was effective on 1 August 2025. VMED O2 holds a 70% controlling interest in O2 Business, while Daisy Pikco retains the remaining 30% NCI. Daisy Pikco became a related-party to VMED O2 at that date.

All related-party transactions relate to regular trading activities of our Company and are on an arm's length basis, except share-based compensation expense. Our related-party transactions consist of the following:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Credits (charges) included in:				
Revenue [a]	£ 94.8	£ 112.3	£ 298.8	£ 432.4
Cost of sales [b]	(22.0)	(0.2)	(64.1)	(0.9)
Other expenses [c]	(69.7)	(61.4)	(231.5)	(159.5)
Included in operating profit	**£ 3.1**	**£ 50.7**	**£ 3.2**	**£ 272.0**
Interest income [d]	218.0	202.0	645.0	659.9
Interest expense [e]	(3.5)	(2.1)	(9.5)	(6.5)
Included in net profit	**£ 217.6**	**£ 250.6**	**£ 638.7**	**£ 925.4**
Property, plant and equipment transfers [f]	**£ 13.8**	**£ 12.7**	**£ 41.7**	**£ 37.8**

(a) Amounts primarily consist of our charges to Tesco Mobile JV, charges to nexfibre, commissions from Telefónica for handset insurance policy sales and to a lesser extent, roaming charges to Telefónica.
(b) Amounts primarily consist of interconnect, roaming, lease and access fees and other services provided to us by certain subsidiaries of Liberty Global and Telefónica, under the JV Service Agreements. Amounts also include nexfibre wholesale charges.
(c) Amounts primarily consist of support function staffing, network and technology services provided to us by certain subsidiaries of Liberty Global and Telefónica, under the JV Service Agreements, as well as brand and licensing fees payable to Telefónica for use of the "O2", "O2 Refresh" and "Priority" brands. Also includes amounts related to charges for share-based incentive awards held by certain employees.
(d) Amounts primarily represent interest accrued on the VMED O2 UK Limited Receivable, as further described below.
(e) Amounts represent interest expense on related-party debt, as further described below.
(f) Amounts primarily relate to the purchase of customer premises equipment (**CPE**) and embedded essential software with certain Liberty Global subsidiaries and associates.

The following table provides details of our related-party balances:

	30 September 2026	31 December 2025
	in millions	
Assets:		
Non-current receivables [a]	£ 16,484.9	£ 15,776.2
Trade receivables [b]	55.1	26.8
Contract assets [c]	15.6	37.4
Other current assets [d]	136.2	250.5
Total	**£ 16,691.8**	**£ 16,090.9**
Liabilities:		
Lease obligations [e]	£ 104.3	£ 107.2
Other non-current liabilities [f]	97.2	192.1
Current portion of debt [g]	43.0	34.3
Trade payables [f]	218.0	228.2
Other current liabilities [f]	94.0	35.7
Total	**£ 556.5**	**£ 597.5**

(a) Amounts represent interest-bearing loan receivables due from VMED O2 UK Limited which, as of 30 September 2026 and 31 December 2025, accrue interest at a weighted average rate of 5.4%. These loans have maturities ranging from 9 March 2028 to 15 September 2034 and are repayable in accordance with their contractual terms. Management intends to settle the balances over time as part of the Group's financing and capital management activities. Subject to obtaining any necessary corporate approvals, such activities may include conversion or contribution to equity, or capital reorganisation transactions which could result in the extinguishment of certain balances prior to their contractual maturity dates. Such transactions are discretionary and are not required under the terms of the arrangements. The purpose of these loans is to support the overall financing activities of the VMED O2 Group.
(b) Amounts primarily relate to trade receivables arising from our charges to Telefónica subsidiaries. Expected credit losses in relation to trade receivable balances with related-parties are considered to be immaterial.
(c) Amounts primarily relate to accrued income from nexfibre.
(d) Amounts primarily relate to non-interest bearing receivables due from VMED O2 UK Limited and from certain Liberty Global and Telefónica subsidiaries. Tesco Mobile debtors and nexfibre are included in this amount.
(e) Amounts represent lease obligations with certain Liberty Global subsidiaries and associates.
(f) Amounts represent both non-interest and interest-bearing payables, accrued capital expenditures and other accrued liabilities related to transactions with VMED O2 UK Limited and certain Liberty Global and Telefónica subsidiaries and associates, which are periodically cash settled. Includes the liability relating to the share-based compensation scheme.
(g) Amounts relate to the value associated with Telefónica Factoring España, S.A., bearing interest at a rate of 6.4% and maturing on 31 March 2027.

(15) NCI

VMED O2 has NCI arising from its ownership of Granstone Group and O2 Business, as set forth below.

Granstone Group
As of 30 September 2026, VMED O2 is the majority shareholder (50.01%) of the Granstone Group (consisting of Granstone Holdco Limited (**Granstone**), its direct subsidiary O2 Networks Limited (**O2 Networks**), and O2 Networks' 50% shareholding in the joint operation Cornerstone). We therefore recognise a NCI for the proportion of the Granstone Group's consolidated results attributable to the non-controlling shareholders (GLIL Infrastructure LLP (**GLIL**) and funds managed by Equitix Investment Management Limited (**Equitix**)).

As of 30 September 2026, the beneficial ownership of Cornerstone is VMED O2 (25.01%); GLIL (16.66%); and Equitix (8.33%).

In March 2025, Cornerstone declared a dividend of £110.0 million, of which O2 Networks was entitled to £55.0 million. Subsequently, O2 Networks declared a £55.0 million dividend to Granstone and then Granstone declared a £55.0 million dividend to its shareholders in the proportion of their shareholdings, with VMED O2's retained portion being £27.5 million. The various cash movements were settled in March 2025.

In June 2025, Cornerstone declared a dividend of £112.0 million, of which O2 Networks was entitled to £56.0 million. Subsequently, O2 Networks declared a £56.0 million dividend to Granstone and Granstone declared a £56.0 million dividend to its shareholders in the proportion of their shareholdings, with VMED O2's retained portion being £28.0 million. The various cash movements were settled in July 2025.

In June 2026, Cornerstone declared a £120.0 million dividend, of which O2 Networks was entitled to £60.0 million. O2 Networks in turn, declared a dividend of £60.0 million to Granstone. Subsequently, Granstone declared a dividend of £60.0 million to its shareholders in the

proportion of their shareholdings at the time, with VMED O2's portion being £30.0 million. The various cash movements were settled in June 2026.

Cornerstone remains a critical supplier to VMED O2 and these transactions have not impacted the existing commercial network sharing agreement between Vodafone and VMED O2, which sees the two companies share radio equipment across certain areas of the country.

The following tables summarise financial information about Granstone and NCI recognised by VMED O2:

	30 September 2026	31 December 2025
	in millions	
Non-current assets	£ 1,039.9	£ 1,030.9
Current assets	54.2	76.6
Non-current liabilities	(788.3)	(572.0)
Current liabilities	(63.6)	(253.4)
Net assets	**£ 242.2**	**£ 282.1**
Share attributable to NCI	£ 121.1	£ 141.1

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Revenue	£ 77.0	£ 75.6	£ 234.1	£ 180.9
Net profit	**£ 6.3**	**£ 8.8**	**£ 20.1**	**£ 12.1**
Share attributable to NCI	£ 3.1	£ 4.4	£ 10.0	£ 6.0

O2 Business

On 1 August 2025, VMED O2 acquired 70% of O2 Business. VMED O2 is the 70% majority shareholder of O2 Business and Daisy Pikco is the non-controlling shareholder for the remaining 30%. The revised NCI recognised as at the Acquisition Date in respect of the O2 Business Transaction was adjusted by £17.2 million to (£260.1 million), reflecting an immaterial acquisition accounting adjustment. The excess consideration over net book value recognised as at the Acquisition Date was accordingly revised by (£8.7 million) to £330.2 million, within Other Reserves in our Condensed Consolidated Statements of Financial Position.

The following table summarises financial information about O2 Business and NCI recognised by VMED O2:

	30 September 2026	31 December 2025
	in millions	
Non-current assets	£ 2,548.7	£ 2,796.0
Current assets	493.5	527.7
Non-current liabilities	(1,600.7)	(1,714.5)
Current liabilities	(503.6)	(439.5)
Net assets	**£ 937.9**	**£ 1,169.7**
Share attributable to NCI	£ (334.5)	£ (287.3)

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	in millions		in millions	
Revenue	£ 299.3	£ 208.0	£ 910.6	£ 208.0
Net loss	**£ (25.9)**	**£ (14.9)**	**£ (100.0)**	**£ (14.9)**
Share attributable to NCI	£ (7.8)	£ (4.5)	£ (30.0)	£ (4.5)

(16) Commitments and Contingencies

Commitments

In the normal course of business, we enter into agreements that commit our Company to make cash payments in future periods with respect to network and connectivity commitments, purchases of customer premises and other equipment and services, other items, programming contracts, and the JV Service Agreements. The following table sets forth the pound sterling equivalents of such commitments as of 30 September 2026. The commitments included in this table do not reflect any liabilities that are included in our Condensed Consolidated Statement of Financial Position at 30 September 2026.

	Payments due during:							
	Remainder of 2026	2027	2028	2029	2030	2031	Thereafter	Total
Network and connectivity commitments [a]	£ 559.1	£ 281.8	£ 266.3	£ 242.7	£ 225.3	£ 111.6	£ 184.9	£ 1,871.7
Purchase and other commitments [b]	377.9	430.7	254.6	86.7	70.1	56.2	193.5	1,469.7
Programming commitments [c]	156.4	533.1	218.8	1.2	—	—	—	909.5
JV Service Agreements [d]	50.6	190.2	174.6	179.2	75.1	—	—	669.7
Total	£ 1,144.0	£ 1,435.8	£ 914.3	£ 509.8	£ 370.5	£ 167.8	£ 378.4	£ 4,920.6

(a) Network and connectivity commitments include (i) service commitments associated with the nexfibre construction programme, (ii) commitments associated with VMED O2's full fibre upgrade, (iii) mobile infrastructure investment and (iv) commitments associated with spectrum additions.

(b) Purchase and other commitments include unconditional and legally binding obligations related to (i) the purchase of CPE and other equipment, (ii) certain service-related commitments, including call centre, IT and maintenance services, and (iii) long-term Power Purchase Agreements.

(c) Programming commitments consist of obligations associated with certain of our programming contracts that are enforceable and legally binding on us, as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services or (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems. Programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect this will continue to be the case in future periods.

(d) Pursuant to the JV Service Agreements, Liberty Global and Telefónica charge VMED O2 UK Limited fees, which our parent passes through, for the JV Services. The JV Services are provided to us on a transitional or ongoing basis. The JV Services provided by the Shareholders and their respective subsidiaries consist primarily of (i) technology and other services, (ii) capital-related expenditures for assets that we use or otherwise benefit us, (iii) brand name and procurement fees and (iv) certain corporate services. The amounts set forth in the table above represent fixed minimum charges from Liberty Global and Telefónica pursuant to the JV Service Agreements. In addition to the fixed minimum charges, the JV Service Agreements provide for certain JV Services to be charged to us based upon usage of the services received. The fixed minimum charges set forth in the table above exclude fees for the usage-based services as these fees will vary from period to period. Accordingly, we expect to incur charges in addition to those set forth in the table above for usage-based services.

In addition to the commitments set forth in the table above, we have significant commitments under derivative instruments. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments, see note 8.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our Company making any material payments and we do not believe that they will result in material payments in the future.

Legal and Regulatory Proceedings and Other Contingencies

Class action regarding alleged combined handset and airtime charges overpayment. In December 2023, claims were brought against Telefonica UK and the other Mobile Network Operators (**MNOs**) by an individual acting as a proposed class representative. These claims are brought in the Competition Appeal Tribunal using a specific regime for competition law class actions. It is alleged that the mobile operators are either individually or collectively dominant and that their customers with combined handset and airtime contracts have been overcharged when their handset minimum term contract expired.

The claimant originally assessed the value of the claim against Telefonica UK at £256.0 million and as against the four MNOs (Vodafone, EE, Three and O2) at £3.3 billion. On 14 November 2025, the Tribunal certified the claim and so the case will proceed to a substantive trial. At the same time, following an application by us, the Tribunal found that the time period of the claim prior to October 2015 was time-barred which means that the majority of the claim against Telefonica UK has no basis to be brought significantly reducing the size of the claim. The claimant reassessed the value of the claim against Telefonica UK at £79.0 million and against the four MNOs at £1.4 billion. At a case management hearing on 1 July 2026 the Tribunal ordered a 10-week trial which has now been listed to begin in April 2029. Accordingly, any final determination of the claim is unlikely for several years. We intend to continue to vigorously defend this matter.

Other Regulatory Matters. Mobile, broadband internet, video and fixed-line telephony businesses are subject to significant regulation and supervision by various regulatory bodies in the UK. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property, plant

and equipment additions. In addition, regulation may also restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

In addition to the foregoing items, we may have contingent liabilities related to matters arising in the ordinary course of business including (i) legal proceedings, (ii) regulatory compliance matters and investigations, (iii) issues involving VAT and employment, property, withholding and other tax issues, and (iv) disputes over interconnection, programming, copyright and channel carriage fees. There are currently no open investigations or enforcement actions open with or against VMED O2 or its subsidiaries.

(17) Subsequent Events

In September 2026, VMED O2 securitised additional receivables for £200.0 million, as described in note 6. In parallel with this transaction, a process was also undertaken to repurchase receivables from a third-party SPE for consideration of £80.5 million. The repurchase completed in October 2026.

In November 2026, VMED O2 announced the direction of an upcoming strategic plan and cost reduction measures to create a simpler company, reducing costs and prioritising investment to improve customer experience, commercial performance and cash generation. The programme includes an organisational redesign with restructuring costs along with other cost-saving measures. VMED O2 also announced that it intends to halt further investment in fibre upgrades beyond existing commitments while continuing investment in mobile network capability and low-cost upgrades being deployed to bring 2Gbps services to the majority of the HFC network in 2027. We are assessing the impacts of these plans on our Condensed Consolidated Financial Statements as they are implemented.

Group Strategic Report

Forward-looking Statements

Certain statements in this Quarterly Bond Report constitute forward-looking statements. These forward-looking statements include, but are not limited to, statements other than statements of historical facts, including, those regarding VMED O2's business, product, foreign currency and finance strategies, future periods, subscriber growth and retention rates, competitive, regulatory and economic factors, the timing and impacts of proposed transactions, the maturity of VMED O2's markets, the anticipated impacts of new legislation (or changes to existing rules and regulations), anticipated changes in VMED O2's revenue, costs or growth rates, liquidity, credit risks, foreign currency and hedging risks, interest rate risks, target leverage levels, debt covenants, VMED O2's future projected contractual commitments and cash flows, any non-Generally Accepted Accounting Principles or non-IFRS metrics we discuss and other information and statements that are not historical fact. In some cases, you can identify these statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "should", and "will" and similar words used in this report.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on these statements, which speak only as of the date of this report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking expectations contained herein, to reflect any change in VMED O2's expectation with regard thereto, or any other changes in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, VMED O2 expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and based on information available to VMED O2 as of the date of this report, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements include those described under "Risk Factors" in our Annual Bond Report.

The following include some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- Economic and business conditions and industry trends in the UK including the impact of the increasingly uncertain and volatile economic conditions, an inflationary environment and change in government policies, including those related to trade and tariffs;
- The competitive environment in the mobile, broadband internet, video and telecommunications industries in the UK, including competitor responses to our products and services;
- Fluctuations in currency exchange rates and interest rates;
- Instability in global financial markets, including sovereign debt issues, currency instability and related fiscal or monetary policies, which may adversely affect the cost (including interest rates), timing or availability of financing and refinancing transactions;
- Consumer disposable income and spending levels, including the availability and amount of individual consumer debt, as a result of, among other things, inflationary pressures;
- Changes in consumer television viewing, mobile and broadband internet usage, preferences and habits, including increased demand for high-speed data transmission services and artificial intelligence-enabled services;
- Consumer acceptance of our existing service offerings, including our mobile, broadband internet, video, fixed-line telephony and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- Our ability to anticipate, adapt to and invest in technological developments, evolving network requirements and new, emerging or competing technologies, including artificial intelligence-enabled services, satellite-based connectivity solutions and other technologies that could make our products or services less desirable, less competitive or obsolete;
- Our ability to manage risks associated with our development, deployment, and utilization of artificial intelligence and generative artificial intelligence, including potential algorithmic bias, data privacy breaches, intellectual property infringement, operational failures, compliance with rapidly evolving artificial intelligence regulations, and reputational harm from artificial intelligence-related incidents;
- Our ability to maintain or increase the number of subscriptions to our mobile, broadband internet, video and fixed-line telephony service offerings and our ARPU;
- Our ability to provide satisfactory customer service, including support for new and evolving products and services;
- Our ability to maintain or increase prices to our subscribers, or to pass through increased costs to our subscribers, including with respect to our significant property, plant and equipment additions, as a result of, among other things, inflationary pressures;
- The impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital and on customer spending;
- Our ability to comply with government regulations and legislation in the UK and adverse outcomes from regulatory or legal proceedings;
- The impact of government intervention which impairs our competitive position, including any intervention that would open our broadband or mobile distribution networks to competitors as well as any changes in our accreditations or licences;
- Our ability to maintain and further develop our direct and indirect distribution channels;
- The effect of perceived health risks associated with electromagnetic radiation from base stations and associated equipment;
- Changes in UK laws, monetary policies, and government regulations or other risks relating to our ability to set prices, enter new markets or control our costs;
- Any failure to comply with anti-corruption laws and regulations and economic sanctions programmes;

- The effect on our business of strikes or collective action by certain of our employees that are represented by trade unions;
- Any conflict of interests between our direct or indirect parent companies and our debt holders' interests;
- Our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- Our ability to successfully acquire, form or dispose of businesses and, if acquired, to integrate, realise anticipated efficiencies from, and implement our business plan with respect to, the businesses we have acquired or that we expect to acquire and to successfully identify and manage post-closing operational, financial reporting, internal control and other integration issues;
- Changes in laws or treaties relating to taxation, or the interpretation thereof, in Bermuda, Spain, the UK or the US;
- Our exposure to additional tax liabilities and negative or unexpected tax consequences as a result of adverse changes in our financial outlook and entity structure;
- Changes in laws, monetary policies and government regulations that may impact the availability or cost of capital and the derivative instruments that hedge certain of our financial risks;
- The ability of suppliers and vendors to timely deliver quality products, equipment, software, services or access;
- The activities of device manufacturers and our ability to secure adequate and timely supply of handsets that experience high demand;
- The availability of, and our ability to acquire on acceptable terms, attractive programming for our video services and the costs associated with such programming;
- Our ability to continue to use intellectual property used to conduct our operations;
- Uncertainties inherent in the development and integration of new business lines and business strategies;
- Our ability to adequately forecast and plan future network requirements, including the costs and benefits associated with the fixed network and the deployment of our 5G network;
- The availability and cost of capital for the acquisition, maintenance and/or development of telecommunications networks, products and services;
- The availability, cost and regulation of spectrum;
- Problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire or merge with, including the failure to realise our financial and strategic goals with respect to strategic transactions;
- Successfully integrating businesses or operations that we acquire or partner with on timelines or within the budgets estimated for such integrations;
- Operating costs, customer loss and business disruption, including maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected in connection with our acquisitions, dispositions and joint ventures;
- Our ability to realise the expected synergies from our acquisitions and joint ventures in the amounts anticipated or on our anticipated timelines;
- Our ability to profit from investments, such as our joint ventures, that we do not solely control;
- Our ability and the ability of our third-party service providers to anticipate, protect against, mitigate and contain loss of our and our customers' data as a result of cyber attacks on us or security breaches involving us;
- The leakage of sensitive customer or company data or any failure to comply with applicable data protection laws, regulations and rules, including any fines or penalties levied on us, or any liabilities we become responsible for, as a result of any failure to comply with such laws, regulations, or rules;
- A failure in our network and information systems, whether caused by a natural failure or a security breach, and unauthorised access to our networks;
- The impact of intense and accelerating competition in the UK broadband market from alternative network operators ("altnets"), including geographic overbuilding that may increase customer churn and limit subscriber growth, aggressive pricing pressure and promotional discounting that could depress ARPU and margins, potential consolidation among altnets creating larger competitors;
- The outcome of any pending or possible litigation;
- The loss of key employees and the lack of qualified personnel;
- Adverse changes in public perception of our brands including the "Virgin" brand, which we and others licence from Virgin Enterprises Limited, the "O2" brand, which we license from O2 Worldwide Limited, or any other of our customer-facing brands and any resulting impacts on the goodwill of customers toward us;
- Events that are outside of our control, such as political unrest in international markets, trade wars or the threat of such trade wars, terrorist attacks, armed conflicts, malicious human acts, natural disasters, epidemics, pandemics and other similar events, including the effects of the ongoing invasion of Ukraine by Russia and the conflicts in the Middle East;
- The risk of default by counterparties to our cash investments, derivative and other financial instruments and undrawn debt facilities;
- Changes in laws and government regulations that may impact our ability to finance expenditures as "Eligible Green Projects" under the International Capital Markets Association's (**ICMA**) Green Bond Principles, satisfy "green" reporting requirements or undertakings and impact the suitability of certain Senior Secured Notes issued under ICMA's Green Bond Principles as a 'green' asset to investors;
- Adverse impacts on our reputation from our sustainability programme among our customers, regulators or government authorities; and
- An increase in our operational costs due to the impact of our sustainability commitments, regulatory and government action on climate change, including compliance with emerging mandatory climate-related and environmental disclosure frameworks.

The broadband distribution and mobile services industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intents in this report at 30 September 2026 are subject to a significant degree of risk. These forward-looking statements and the above-described risks, uncertainties and other factors speak only as of the date of our report, and VMED O2 expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in VMED O2's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

VMED O2 undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this report.

VMED O2 discloses important factors that could cause VMED O2's actual results to differ materially from VMED O2's expectations in this report. These cautionary statements qualify all forward-looking statements attributable to VMED O2 or persons acting on VMED O2's behalf.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis, which should be read in conjunction with our Condensed Consolidated Financial Statements and the discussion and analysis included in our 2025 Annual Bond Report, is intended to assist in providing an understanding of our results of operations and financial condition and is organised as follows:

- **Overview:** This section provides a general description of our business and recent events.
- **Discussion and Analysis of our Results of Operations:** This section provides an analysis of our results of operations, as applicable, for the three and nine months ended 30 September 2026 and 2025.
- **Liquidity and Capital Resources:** This section provides an analysis of our corporate and subsidiary liquidity and our Condensed Consolidated Statements of Cash Flows.
- **Quantitative and Qualitative Disclosures about Market Risk:** This section provides discussion and analysis of the foreign currency, interest rate and other market risks that our Company faces.

Certain capitalised terms used below have been defined in the Notes to the Condensed Consolidated Financial Statements included in this report. In the following text, the terms “we”, “our”, “our Company”, “our Group” and “us” may refer, as the context requires, to VMED O2 or collectively to VMED O2 and its subsidiaries.

Unless otherwise indicated, convenience translations into pound sterling are calculated as of 30 September 2026.

Overview

General

VMED O2 is an integrated communications provider of mobile, broadband internet, video and fixed-line telephony services to consumer, business and wholesale customers in the UK.

Strategy and Management Focus

Our sizeable fixed and mobile customer bases provide us with the scale to position ourselves as a convergence champion, while we evolve our networks to meet customers’ future demand and be the scaled UK telecommunications challenger.

Our group strategy is underpinned by trying to provide outstanding customer experiences for our three customer segments:

- **Consumer**: Our strategy for households is centred on becoming the UK’s convergence champion by earning their trust every day.
- **Business**: O2 Business benefits from significant scale, offering UK businesses a comprehensive range of connectivity solutions and managed services all under one roof.
- **Wholesale**: Our fixed and mobile networks enable partners to grow and innovate, while we carefully consider how best to drive long-term value for our business.

Underpinning the services we provide to these customers are our fixed and mobile networks. Outstanding connectivity is a core part of our strategy, and we are investing in our networks to ensure we can meet customers growing demand for today and tomorrow, including the continued rollout of 5G and evolution of our fixed network.

Competition and Other External Factors

We are experiencing high levels of competition from incumbent telecommunications operators, other providers including those operating their own network infrastructure, and those utilising different technologies. This competition, together with macroeconomic and regulatory factors, impacts our ability to maintain and/or grow our revenue, the number of customers added or lost and ARPU.

Discussion and Analysis of our Results of Operations

The discussion presented in this section provides an analysis of our revenue and operating costs (excluding depreciation and amortisation and share-based compensation expense) for the three and nine months ended 30 September 2026 and 2025. Our results are set forth below.

Revenue

We derive our revenue from consumer, business and wholesale communications services, including mobile, broadband internet, video and fixed-line telephony services.

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of customer relationships or mobile subscribers outstanding during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (a) changes in prices, (b) changes in bundling or promotional discounts, (c) changes in the tier of services selected, (d) variances in subscriber usage patterns and (e) the overall mix of fixed and mobile products during the period.

	Three months ended 30 September		Increase (decrease)		Nine months ended 30 September		Increase (decrease)	
	2026	2025	£	%	2026	2025	£	%
	in millions, except percentages							
Revenue								
Consumer [a]	**£ 1,845.1**	**£ 1,946.5**	**£ (101.4)**	**(5.2)%**	**£ 5,489.8**	**£ 5,759.6**	**£ (269.8)**	**(4.7)%**
Mobile Service [b]	808.6	822.6	(14.0)	(1.7)%	2,383.7	2,442.9	(59.2)	(2.4)%
Fixed Service [c]	754.6	806.2	(51.6)	(6.4)%	2,297.8	2,432.0	(134.2)	(5.5)%
Business [d]	**298.9**	**286.1**	**12.8**	**4.5 %**	**909.2**	**788.4**	**120.8**	**15.3 %**
Business Service [e]	231.7	226.7	5.0	2.2 %	703.2	645.8	57.4	8.9 %
Wholesale [f]	**273.5**	**273.6**	**(0.1)**	**— %**	**793.3**	**782.3**	**11.0**	**1.4 %**
Wholesale Service [g]	241.8	237.5	4.3	1.8 %	702.7	660.9	41.8	6.3 %
Network Construction and Other [h]	**9.2**	**43.1**	**(33.9)**	**(78.7)%**	**23.4**	**225.9**	**(202.5)**	**(89.6)%**
Total Revenue	**£ 2,426.7**	**£ 2,549.3**	**£ (122.6)**	**(4.8)%**	**£ 7,215.7**	**£ 7,556.2**	**£ (340.5)**	**(4.5)%**
Memo: Total Service Revenue [i]	2,036.7	2,093.0	(56.3)	(2.7)%	6,087.4	6,181.6	(94.2)	(1.5)%
Memo: Hardware and Other Revenue [j]	390.0	456.3	(66.3)	(14.5)%	1,128.3	1,374.6	(246.3)	(17.9)%

(a) 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 revenue decreased £101.4 million or 5.2% and £269.8 million or 4.7% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, driven by a reduction in mobile service and fixed service revenue, as discussed below.

(b) 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 mobile service revenue decreased £14.0 million or 1.7% and £59.2 million or 2.4% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily due to lower contract and prepaid bases partially offset by an increase in contract average revenue per unit (**ARPU**).

(c) 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 fixed service revenue decreased £51.6 million or 6.4% and £134.2 million or 5.5% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily driven by a reduction in customer ARPU.

(d) Business revenue represents revenue generated from LEPS, SMB, and SoHo customers through O2 Business. This includes revenue from fixed and mobile connectivity, and, amongst other items, revenue from IT hardware and services such as cloud and cybersecurity. Business revenue increased £12.8 million or 4.5% and £120.8 million or 15.3% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025 primarily due to the consolidation of Daisy Group revenue, partially offset by decreases in business service revenue, as discussed below.

(e) Business service revenue includes revenue from connectivity associated with the fixed and mobile networks, and, amongst other items, revenue from ongoing IT services. Business service revenue increased £5.0 million or 2.2% and £57.4 million or 8.9% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, primarily driven by the consolidation of Daisy Group revenue, partially offset by decreases due to the planned streamlining of the B2B product portfolio and market headwinds.

(f) 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, IoT solutions, dedicated fibre products, and certain corporate services provided to nexfibre. Wholesale revenue decreased £0.1 million or 0.0% and increased £11.0 million or 1.4% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. The increase for the nine month comparison is primarily driven by an increase in service revenue, as discussed below, offset by lower non-service revenue.

(g) Wholesale service revenue includes revenue from connectivity utilising VMED O2's fixed and mobile networks, and, amongst other items, revenue from IT services. Wholesale service revenue increased £4.3 million or 1.8% and £41.8 million or 6.3% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These increases are primarily driven by £14.0 million and £44.1 million of fixed pre-enablement and installation income for the three and nine months ended 30 September 2026, respectively, as the Company targets scaling and expanding wholesale fixed services, partially offset by decreased construction activity.

(h) 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. Network construction and other revenue decreased £33.9 million or 78.7% and £202.5 million or 89.6% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily driven by a continued reduction in low-margin nexfibre build activity compared with the prior year periods.

(i) Total service revenue includes revenue from fixed and mobile telecommunications connectivity, and, amongst other items, revenue from selected ongoing IT services.

(j) Hardware and other revenue 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.

Profit reconciliation

Most of our revenue is subject to VAT. Any increases in this tax could have an adverse impact on our ability to maintain or increase our revenue to the extent that we are unable to pass such tax increases on to our customers. In the case of revenue-based taxes for which we are the ultimate taxpayer, we will also experience increases in our operating expenses and corresponding declines in our Adjusted EBITDA and Adjusted EBITDA margin (Adjusted EBITDA divided by revenue) to the extent of any such tax increases. As we use the term, "Adjusted EBITDA" is defined as net profit (loss) before net income tax (expense) benefit, other non-operating income or expenses, share of results of investments accounted for by the equity method, net finance costs, 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 the purposes of calculating Adjusted EBITDA also includes awards granted to our employees that are settled with Liberty Global or Telefónica shares.

We are subject to inflationary pressures with respect to certain costs. Any cost increases that we are not able to pass on to our subscribers through rate increases would result in increased pressure on our operating margins.

	Three months ended 30 September		Increase (decrease)		Nine months ended 30 September		Increase (decrease)	
	2026	2025	£	%	2026	2025	£	%
	in millions, except percentages							
Revenue	£ 2,426.7	£ 2,549.3	£ (122.6)	(4.8)%	£ 7,215.7	£ 7,556.2	£ (340.5)	(4.5)%
Cost of sales	(711.5)	(780.2)	(68.7)	(8.8)%	(2,081.1)	(2,330.7)	(249.6)	(10.7)%
Personnel expenses	(209.7)	(216.3)	(6.6)	(3.1)%	(647.9)	(620.0)	27.9	4.5 %
Other expenses [(a)]	(510.3)	(537.0)	(26.7)	(5.0)%	(1,614.6)	(1,691.4)	(76.8)	(4.5)%
Adjusted EBITDA	**£ 995.2**	**£ 1,015.8**	**£ (20.6)**	**(2.0)%**	**£ 2,872.1**	**£ 2,914.1**	**£ (42.0)**	**(1.4)%**
Depreciation and amortisation	(855.6)	(721.6)	134.0	18.6 %	(2,498.1)	(2,270.8)	227.3	10.0 %
Share-based compensation	(15.8)	(21.7)	(5.9)	(27.2)%	(31.0)	(54.3)	(23.3)	(42.9)%
Restructuring and other operating expenses	(1.3)	(9.0)	(7.7)	(85.6)%	(61.9)	(44.7)	17.2	38.5 %
Operating profit	**£ 122.5**	**£ 263.5**	**£ (141.0)**	**(53.5)%**	**£ 281.1**	**£ 544.3**	**£ (263.2)**	**(48.4)%**
Finance costs	(333.4)	(594.0)	(260.6)	(43.9)%	(1,132.2)	(1,833.7)	(701.5)	(38.3)%
Finance income	426.0	531.1	(105.1)	(19.8)%	1,075.1	1,462.9	(387.8)	(26.5)%
Share of results of equity method investments	(0.3)	(0.3)	—	— %	(1.0)	0.6	(1.6)	(266.7)%
Other income, net	2.2	10.2	(8.0)	(78.4)%	10.1	26.9	(16.8)	(62.5)%
Income tax benefit (expense)	2.6	(22.7)	25.3	(111.5)%	71.2	85.3	(14.1)	(16.5)%
Net profit	**£ 219.6**	**£ 187.8**	**£ 31.8**	**16.9 %**	**£ 304.3**	**£ 286.3**	**£ 18.0**	**6.3 %**

(a) Other expenses include net impairment losses on financial and contract assets and exclude share-based compensation expense and restructuring and other operating costs.

Cost of sales

Cost of sales includes costs of mobile handsets and other devices, programming and copyright costs, interconnect and access costs, and other cost of sales related to our operations. Programming and copyright costs represent a significant portion of our operating costs and are subject to rise in future periods due to various factors, including (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, and (ii) rate increases.

Our cost of sales decreased £68.7 million or 8.8% and £249.6 million or 10.7% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, primarily due to the net effect of:

- Decreases in other direct costs of £21.9 million or 20.9% and £149.1 million or 37.2%, respectively, primarily driven by decreases in nexfibre construction volumes resulting in lower construction costs;
- Decreases in mobile handset and other device costs of £29.1 million or 8.0% and £108.0 million or 10.3%, respectively, primarily driven by (i) lower volume of handset sales and (ii) movements in stock provisions;

- Increases in programming costs of £8.0 million or 4.4% and £15.3 million or 2.8%, respectively, primarily driven by higher programme rates and enhanced customer propositions; and

- Decreases in mobile, data and voice interconnect and access costs of £25.6 million or 19.2% and £7.9 million or 2.4%, respectively, primarily driven by decreases in messaging related expense, partially offset by increases driven by the incremental costs from the O2 Business consolidation.

Personnel expenses
Personnel expenses include salary and payroll costs, commissions, incentive compensation costs, deferred labour and contingent labour.

Our personnel expenses decreased £6.6 million or 3.1% and increased by £27.9 million or 4.5% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. The three month decrease is primarily due to restructuring programmes, whereas the nine month increase is primarily due to incremental costs from the consolidation of O2 Business.

Other expenses
Other expenses include marketing and other sales costs, network operations, customer services costs, business service costs, impairment and restructuring, share-based compensation and other general expenses.

Our other expenses (exclusive of share-based compensation expense and depreciation and amortisation) decreased £26.7 million or 5.0% and £76.8 million or 4.5% during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, primarily due to the net effect of:

- Decreases in other expenses of £47.8 million or 47.6% and £40.1 million or 15.2%, respectively, primarily due to lower bad debt expenses and property taxes. The nine months ended 30 September 2026 also included a £28.0 million Ofcom fine, largely offset by a £25.4 million net benefit in relation to legal matters, while the corresponding period in 2025 included a £23.8 million Ofcom fine, largely offset by a £20.7 million handset inventory-related insurance recovery;

- An increase in customer service expenses of £2.4 million or 3.4% and a decrease of £36.2 million or 13.6%, respectively. The three month increase is primarily driven by higher network maintenance costs, partially offset by lower outsourced call centre expenses. The nine month decrease is due to lower outsourced call centre expenses;

- Decreases in sales costs of £3.0 million or 4.5% and £19.2 million or 9.4%, respectively, primarily due to (i) a reduction in the fixed customer base and (ii) a £9.6 million reduction in sales commission expense reflecting the Q3 2026 impact of a change in the estimated amortisation period for sales commissions implemented in Q2 2026;

- Increases in network costs of £11.6 million or 13.9% and £16.0 million or 5.6%, respectively, primarily due to fixed pre-enablement and installation income being recognised within wholesale service revenue, partially offset by (i) lower outsourced field costs and (ii) reduced licence costs; and

- An increase in business service expenses of £14.6 million or 11.3% and a decrease of £2.6 million or 0.6%, respectively. The three month increase is primarily due to lower facilities management income, partially offset by an increase in (i) contractor services and (ii) power related costs.

Adjusted EBITDA
Adjusted EBITDA decreased by £20.6 million or 2.0% to £995.2 million and £42.0 million or 1.4% to £2,872.1 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, driven by the items discussed above.

Depreciation and amortisation
Depreciation and amortisation increased by £134.0 million or 18.6% to £855.6 million and £227.3 million or 10.0% to £2,498.1 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These increases are primarily due to changes in the estimated useful life of customer relationships and depreciation and amortisation relating to assets acquired as part of the O2 Business Transaction.

Share-based compensation expense
Share-based compensation expense decreased by £5.9 million or 27.2% to £15.8 million and £23.3 million or 42.9% to £31.0 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These decreases are primarily attributable to the alignment of position with the latest performance expectations, in conjunction with the open plans in the given periods.

Restructuring and other operating expenses
Restructuring and other operating expenses decreased by £7.7 million or 85.6% to £1.3 million and increased by £17.2 million or 38.5% to £61.9 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. The three month decrease is primarily driven by an immaterial acquisition accounting adjustment to goodwill, whereas the nine month increase is due to ongoing planned restructuring programmes.

Operating profit
Operating profit decreased by £141.0 million or 53.5% to £122.5 million and £263.2 million or 48.4% to £281.1 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, driven by the items discussed above.

Finance costs and income
Finance costs decreased by £260.6 million or 43.9% to £333.4 million and £701.5 million or 38.3% to £1,132.2 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. The three month decrease is primarily driven by a reduction in losses on foreign currency transactions as a result of the strengthening of the pound sterling against the US dollar and the euro in the current period. The nine month decrease is driven by (i) a decrease in losses on derivative instruments, and (ii) a reduction in foreign currency losses, partially offset by an increase in interest expense.

Finance income decreased by £105.1 million or 19.8% to £426.0 million and £387.8 million or 26.5% to £1,075.1 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. The three month decrease is primarily driven by a reduction in gains on derivative instruments in the current period, partially offset by (i) an increase in gains from foreign currency transactions in the current period and (ii) an increase in interest income. The nine month decrease is driven by (i) a decrease in gains from foreign currency transactions and (ii) a decrease in interest income, partially offset by an increase in gains on derivative instruments.

Share of results of equity method investments
Share of results of equity method investments remained at (£0.3 million) and decreased by £1.6 million or 266.7% to (£1.0 million) during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025.

Other income, net
Other income decreased by £8.0 million or 78.4% to £2.2 million and £16.8 million or 62.5% to £10.1 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025, primarily due to the releasing of a gain during the third quarter of 2026 relating to the repurchase of previously sold handset and other receivables in the comparative period in 2025.

Income tax benefit
There was income tax benefit of £2.6 million and £71.2 million during the three and nine months ended 30 September 2026, respectively. The variance in income tax benefit as compared to the comparative periods in 2025 was primarily driven by derivative and foreign currency movements and the associated movements in profit before income taxes.

Net profit
Net profit increased by £31.8 million or 16.9% to £219.6 million and £18.0 million or 6.3% to £304.3 million during the three and nine months ended 30 September 2026, respectively, as compared to the corresponding periods in 2025. These increases are primarily due to the decreases in finance costs, which have been partially offset by (i) the decreases in finance income and (ii) the increases in depreciation and amortisation, as discussed above.

Liquidity and Capital Resources

a) Sources and Uses of Cash

i) Cash and cash equivalents

At 30 September 2026, we had cash and cash equivalents of £428.6 million, all of which was held by our subsidiaries. The terms of the instruments governing the indebtedness of certain of these subsidiaries may restrict our ability to access the liquidity of these subsidiaries. In addition, our ability to access the liquidity of our subsidiaries may be limited by tax, legal considerations and other factors.

ii) Liquidity of VMED O2

Our sources of liquidity at the parent level include, subject to the restrictions noted above, proceeds in the form of (i) distributions or loans from our subsidiaries and (ii) contributions or loans from VMED O2 UK Limited. It is the intention of the Shareholders that the Joint Venture, and by extension VMED O2, remains a self-funding company capable of financing its activities on a stand-alone basis without recourse to either Shareholder.

The ongoing cash needs of VMED O2 include corporate general and administrative expenses and fees associated with the JV Service Agreements. From time to time, VMED O2 may also require cash in connection with (i) the repayment of outstanding debt and related-party obligations (including the repurchase or exchange of outstanding debt securities in the open market, privately-negotiated transactions, tender offers, exchange offers, redemptions or prepayments), (ii) the funding of dividends or distributions to our immediate parent, VMED O2 UK Limited, to in turn fund dividends or distributions by VMED O2 UK Limited pursuant to the Joint Venture Shareholders Agreement, (iii) the satisfaction of contingent liabilities or (iv) acquisitions and other investment opportunities.

iii) Liquidity of our subsidiaries

In addition to cash and cash equivalents, the primary sources of liquidity of our operating subsidiaries are cash provided by operations and any borrowing availability under the VMED O2 Credit Facilities. For details of the borrowing availability of the VMED O2 Credit Facilities, see note 6 of the Notes to the Condensed Consolidated Financial Statements.

The liquidity of our operating subsidiaries generally is used to fund (i) property, plant and equipment additions, (ii) debt service requirements and (iii) other liquidity requirements that may arise from time to time, as well as to settle certain obligations that are not included in our 30 September 2026 Condensed Consolidated Statements of Financial Position.

In this regard, we have significant commitments related to (a) network and connectivity commitments, (b) purchases and other commitments, (c) programming contracts, and (d) the JV Service Agreements. These obligations are expected to represent a significant liquidity requirement of our Company, the majority of which is due over the next 12 to 24 months. For additional information regarding our commitments, see note 16 of the Notes to the Condensed Consolidated Financial Statements.

For additional information regarding our consolidated cash flows, see the discussion under “Condensed Consolidated Statements of Cash Flows” below. Our subsidiaries may also require funding in connection with (i) the repayment of outstanding debt, (ii) acquisitions and other investment opportunities or (iii) distributions or loans to VMED O2 UK Limited. No assurance can be given that any external funding would be available to our subsidiaries on favourable terms, or at all.

b) Capitalisation

At 30 September 2026, the outstanding principal amount of our consolidated debt, together with our lease obligations, aggregated £22.8 billion, including £3.7 billion that is classified as current in our Condensed Consolidated Statements of Financial Position, £14.6 billion due through 2031 and £4.5 billion that is not due until 2032 or thereafter. For additional information regarding our debt and lease maturities, see notes 6 and 7, respectively, of the Notes to the Condensed Consolidated Financial Statements.

As further discussed under “Quantitative and Qualitative Disclosures about Market Risk” below and in notes 6 and 7 of the Notes to the Condensed Consolidated Financial Statements, we use derivative instruments to mitigate foreign currency and interest rate risk associated with our debt instruments.

Our high level of indebtedness, together with significant competition, the challenging macroeconomic environment, regulatory uncertainty, and volatility in interest rates and credit spreads, could adversely affect our future financial performance, leverage and creditworthiness, as well as our ability to refinance our debt on favourable terms, or at all.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in our credit agreements and indentures is dependent primarily on our ability to maintain or increase our Adjusted EBITDA and to achieve adequate returns on our property, plant and equipment additions and acquisitions. In addition, our ability to obtain additional debt financing is limited by incurrence-based leverage covenants contained in our various debt instruments. In this regard, if our Adjusted EBITDA were to decline, our ability to obtain additional debt could be limited. We do not anticipate any non-compliance with respect to any of our debt covenants that would have a material adverse impact on our liquidity for at least 12 months. For further details regarding our covenants, see note 14 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2025.

Notwithstanding our negative working capital position at 30 September 2026, we believe that we have sufficient resources to repay or refinance the current portion of our debt and lease obligations and to fund our foreseeable liquidity requirements for at least 12 months. However, as our maturing debt grows in later years, we anticipate we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete these refinancing transactions or otherwise extend our debt maturities.

All of our consolidated debt and lease obligations at 30 September 2026 have been borrowed or incurred by our subsidiaries or our joint operation, Cornerstone.

Condensed Consolidated Statements of Cash Flows

Summary

Our summarised Condensed Consolidated Statements of Cash Flows for the nine months ended 30 September 2026 and 2025 are set forth below:

	Nine months ended 30 September	
	2026	2025
	in millions	
Net cash provided by operating activities	£ 1,457.0	£ 1,836.3
Net cash used by investing activities	(1,092.7)	(533.2)
Net cash used by financing activities	(491.4)	(1,345.0)
Effect of exchange rate changes on cash and cash equivalents	(10.6)	6.4
Net decrease in cash and cash equivalents	**£ (137.7)**	**£ (35.5)**

Operating Activities

The net cash provided by our operating activities for the nine months ended 30 September 2026 is primarily attributable to our Adjusted EBITDA and related working capital items. See the "Condensed Consolidated Statements of Cash Flows" on page 9 for further information.

Investing Activities

The net cash used by our investing activities for the nine months ended 30 September 2026 is primarily attributable to capital expenditures. See the "Condensed Consolidated Statements of Cash Flows" on page 9 for further information.

Financing Activities

The net cash used by our financing activities for the nine months ended 30 September 2026 is primarily attributable to (i) cash paid of £768.8 million related to net repayments of vendor financing and (ii) cash received of £392.1 million related to net borrowing of third-party debt and lease obligations. See the "Condensed Consolidated Statements of Cash Flows" on page 9 for further information.

The capital expenditures we report in our Condensed Consolidated Statements of Cash Flows do not include amounts that are financed under capital-related vendor financing or lease arrangements. Instead, these amounts are reflected as non-cash additions to our property, plant and equipment when the underlying assets are delivered and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures as reported in our Condensed Consolidated Statements of Cash Flows, which exclude amounts financed under capital-related vendor financing or lease arrangements, and (ii) our total intangible asset and property, plant and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under capital-related vendor financing or lease arrangements. For further details regarding our intangible asset and property, plant and equipment additions, see notes 4 and 5 of the Notes to the Condensed Consolidated Financial Statements. A reconciliation of our consolidated property, plant and equipment and intangible asset additions to our consolidated capital expenditures, as reported in our Condensed Consolidated Statements of Cash Flows, is set forth below:

	Nine months ended 30 September	
	2026	2025
	in millions	
Property, plant and equipment and intangible asset additions	£ 1,683.8	£ 1,802.3
Assets acquired under capital-related vendor financing arrangements	(551.2)	(686.5)
Assets acquired under leases	(108.2)	(101.4)
Changes in current liabilities related to capital expenditures, net	36.2	8.6
Capital expenditures	**£ 1,060.6**	**£ 1,023.0**

Our property, plant and equipment and intangible asset additions during the nine months ended 30 September 2026 include, amongst other items, (i) investments in network capacity, technology facilities and IT-related projects, (ii) expenditures for new build and upgrade projects, (iii) baseline expenditures, including network improvements and expenditures for property and facilities and IT, and (iv) mobile spectrum licence acquisitions.

Condensed Consolidated Financial Information — Senior Secured Notes

We present the following Condensed Consolidated Financial Information as of and for the nine months ended 30 September 2026 as required by the applicable underlying indentures. For consolidated financial information as of 31 December 2025, see our 2025 Annual Bond Report for VMED O2.

As of 30 September 2026, Virgin Media Secured Finance plc is the issuer of the following Senior Secured Notes:

- $1,425.0 million (£1,074.3 million) principal amount of 2029 VMED O2 5.500% Dollar Senior Secured Notes;
- £340.0 million principal amount of 2029 VMED O2 5.250% Sterling Senior Secured Notes;
- $915.0 million (£689.8 million) principal amount of 2030 VMED O2 4.500% Dollar Senior Secured Notes;
- £480.0 million principal amount of 2030 VMED O2 4.125% Sterling Senior Secured Notes; and
- £635.0 million principal amount of 2030 VMED O2 4.250% Sterling Senior Secured Notes.

Our Senior Secured Notes issued by Virgin Media Secured Finance plc outstanding as of 30 September 2026, rank pari passu with and, subject to certain exceptions, share in the same guarantees and security which have been granted in favour of our VMED O2 Credit Facilities. Our Senior Secured Notes are guaranteed on a senior basis by:

- Virgin Media Investment Holdings Limited;
- Virgin Media Bristol LLC;
- Virgin Media Finance plc;
- Virgin Media Inc.;
- Virgin Media Limited;
- Virgin Media Secured Finance plc;
- Virgin Media Senior Investments Limited;
- Virgin Media SFA Finance Limited;
- Virgin Media Wholesale Limited;
- Virgin Mobile Telecoms Limited;
- VMED O2 UK Holdco 4 Limited;
- VMED O2 UK Holdco 5 Limited; and
- Telefonica UK Limited.

Statement of Financial Position	30 September 2026 in millions					
	VMED O2 UK Holdings Limited	Virgin Media Secured Finance plc	Guarantors	Non-Guarantors	Eliminations [a]	Total
Non-current assets	£ 15.9	£ 3,452.9	£ 34,387.3	£ 4,778.0	£ (164.9)	£ 42,469.2
Current assets	—	—	3,029.8	436.7	(96.3)	3,370.2
Total assets	**£ 15.9**	**£ 3,452.9**	**£ 37,417.1**	**£ 5,214.7**	**£ (261.2)**	**£ 45,839.4**
Total combined equity	**£ 6.2**	**£ 90.7**	**£ 22,709.7**	**£ (3,940.4)**	**£ —**	**£ 18,866.2**
Total owner's equity	6.2	90.7	22,709.7	(3,727.0)	—	19,079.6
NCI	—	—	—	(213.4)	—	(213.4)
Liabilities:						
Non-current liabilities	—	3,292.2	8,498.6	8,160.1	(164.9)	19,786.0
Current liabilities	9.7	70.0	6,208.8	995.0	(96.3)	7,187.2
Total liabilities	**9.7**	**3,362.2**	**14,707.4**	**9,155.1**	**(261.2)**	**26,973.2**
Total equity and liabilities	**£ 15.9**	**£ 3,452.9**	**£ 37,417.1**	**£ 5,214.7**	**£ (261.2)**	**£ 45,839.4**

(a) The major contributors to the eliminations presented are between guarantors and Virgin Media Secured Finance plc balances, and presented as unaudited standalone accounts.

Statement of Profit or (Loss)	Nine months ended 30 September 2026 in millions				
	VMED O2 UK Holdings Limited	Virgin Media Secured Finance plc	Guarantors	Non-Guarantors	Total
Revenue	£ —	£ —	£ 5,796.9	£ 1,418.8	£ 7,215.7
Net profit attributable to:					
Owners	0.3	23.5	48.7	251.8	324.3
NCI	—	—	—	(20.0)	(20.0)
Net profit	**£ 0.3**	**£ 23.5**	**£ 48.7**	**£ 231.8**	**£ 304.3**
Statement of Comprehensive Income or (Loss)					
Comprehensive income attributable to:					
Owners	£ 0.3	£ 23.5	£ 46.1	£ 251.8	£ 321.7
NCI	—	—	—	(20.0)	(20.0)
Comprehensive income	**£ 0.3**	**£ 23.5**	**£ 46.1**	**£ 231.8**	**£ 301.7**

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of our business operations due to our ongoing investing and financing activities. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future profits. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

Cash

We invest our cash in highly liquid instruments that meet high credit quality standards. At 30 September 2026, £429.7 million, or 100.3%, and (£1.1 million), or (0.3%), of our consolidated cash balance was denominated in pounds sterling and euros respectively.

Foreign Currency Risk

We are exposed to foreign currency exchange rate risk with respect to our consolidated debt in situations where our debt is denominated in US dollars and euros. Although we generally match the denomination of our and our subsidiaries' borrowings with our functional currency, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in our functional currency (unmatched debt). In these cases, our policy is to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. At 30 September 2026, substantially all of our debt was either directly or synthetically matched to our functional currency. For additional information concerning the terms of our derivative instruments, see note 8 of the Notes to the Condensed Consolidated Financial Statements.

Currently, the UK is facing various macro-economic pressures, including financial and political challenges, that have impacted the broader UK economy, valuation of the local currency, interest rates and inflationary pressures. In addition to the exposure that results from the mismatch of our borrowings and our functional currency, we are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our functional currency (non-functional currency risk), such as equipment purchases, programming contracts, notes payable and notes receivable (including intercompany amounts) and certain services provided by our Shareholders. Changes in exchange rates with respect to amounts recorded in our Condensed Consolidated Statements of Financial Position related to these items will result in unrealised (based upon period-end exchange rates) or realised foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our functional currency, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have entered into foreign currency forward and option contracts to hedge certain of these risks. For additional information concerning our foreign currency forward and option contracts, see note 8 of the Notes to the Condensed Consolidated Financial Statements.

The relationships between (i) the euro and (ii) the US dollar and the pound sterling, which is our reporting currency, are shown below, per one pound sterling:

	30 September 2026	31 December 2025
Spot rates:		
Euro	1.1698	1.1463
US dollar	1.3265	1.3453

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
Average rates:				
Euro	1.1684	1.1540	1.1582	1.1752
US dollar	1.3443	1.3485	1.3448	1.3151

Inflation Risk

We are subject to inflationary pressures with respect to energy, labour, programming and other costs. While we attempt to increase our revenue through price increases to customers to offset increases in costs, there is no assurance that we will be able to do so. Therefore, costs could rise faster than associated revenue, thereby resulting in a negative impact on our operating results, cash flows and liquidity. The economic environment in the UK is a function of government, economic, fiscal and monetary policies, and various other factors beyond our control that could lead to inflation. We are unable to predict the extent that price levels might be impacted in future periods by the current state of the economy in the UK.

Interest Rate Risk

We are exposed to changes in interest rates primarily as a result of our borrowing activities, which include fixed-rate and variable-rate borrowings by our subsidiaries. Our primary exposure to variable-rate debt is through our SONIA-indexed, Term Secured Overnight Financing Rate-indexed and EURIBOR-indexed VMED O2 Credit Facilities.

In general, we enter into derivative instruments to protect against increases in the interest rates on our variable-rate debt. Accordingly, we have entered into various derivative transactions to manage exposure to increases in interest rates. We use interest rate derivative contracts to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed-upon notional principal amount. We also use interest rate cap agreements and swaptions to lock in a maximum interest rate if variable rates rise, but also allow our Company to benefit from declines in market rates. Under our current guidelines, we use various interest rate derivative instruments to mitigate interest rate risk, generally for the full term of the underlying variable-rate debt. In this regard, we use judgement to determine the appropriate composition and maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the impacts of these interest rate derivative instruments, see note 8 of the Notes to the Condensed Consolidated Financial Statements.

There have been significant changes in the benchmark interest rates used to set floating rates on our debt and derivative instruments. ICE Benchmark Administration (the entity that administers London Interbank Offered Rate (**LIBOR**)) ceased to publish GBP LIBOR rates after 31 December 2021, and it ceased to publish USD LIBOR after 30 June 2023. EURIBOR has been reformed and has been granted regulatory approval to continue to be used.

In 2024, the EMMI phased in enhancements to EURIBOR's hybrid methodology, as announced in 2023. The contribution made by the panel banks followed a three-level waterfall approach, including transactions from the observation period, derived or historical transactions or "expert judgement" grounded on transactions from nearby markets. The new methodology ended the use of "expert judgement" to determine the EURIBOR rate and certain historical transactions are now linked to the €STR, bringing the risk profile of EURIBOR closer to that of €STR.

Weighted Average Variable Interest Rate

At 30 September 2026, the outstanding principal amount of our variable-rate indebtedness aggregated £8.1 billion and the weighted average interest rate (including margin) on such variable-rate indebtedness was 6.9%, excluding the effects of interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Assuming no change in the amount outstanding, and without giving effect to any interest rate derivative contracts, deferred financing costs, original issue premiums or discounts and commitment fees, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by £40.4 million. As discussed above and in note 8 of the Notes to the Condensed Consolidated Financial Statements, we use interest rate derivative contracts to manage our exposure to increases in variable interest rates. In this regard, increases in the fair value of these contracts generally would be expected to offset most of the economic impact of increases in the variable interest rates applicable to our indebtedness to the extent and during the period that principal amounts are matched with interest rate derivative contracts.

In addition to the above, we are also exposed to modest, predetermined interest rate adjustments as a result of the achievement or non-achievement of certain ESG-linked metrics contained within certain sustainability-linked VMED O2 Credit Facilities. These ESG metrics are primarily related to the reduction of Scope 1 and Scope 2 emissions in line with our pathway to net zero across our operations, products and supply chain by 2040. The carrying value of the sustainability-linked VMED O2 Credit Facilities at 30 September 2026 amounted to £5.2 billion.

Counterparty Credit Risk

We are exposed to the risk that the counterparties to our derivative instruments, cash holdings and undrawn debt facilities will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments and undrawn debt facilities is spread across a relatively broad counterparty base of banks and financial institutions. Collateral is generally not posted by either party under the derivative instruments. Most of our cash currently is invested in either (i) AAA credit rated money market funds, including funds that invest in government obligations, or (ii) overnight deposits with banks having a minimum credit rating of A by Standard & Poor's or an equivalent rating by Moody's Ratings. To date, neither the access to nor the value of our cash and cash equivalent balances have been adversely impacted by liquidity problems of financial institutions.

At 30 September 2026, our exposure to counterparty credit risk included (i) derivative assets with an aggregate fair value of £228.8 million, (ii) aggregate undrawn debt facilities of £1,449.5 million and (iii) cash and cash equivalents of £428.6 million.

We have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting

arrangements are limited to the derivative instruments governed by the relevant master agreement and are independent of similar arrangements.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in the event of an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Sensitivity Information

Information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions is set forth below. The potential changes in fair value set forth below do not include any amounts associated with the remeasurement of the derivative asset or liability into the applicable functional currency. For additional information, see notes 8 and 9 of the Notes to the Condensed Consolidated Financial Statements.

Cross-currency and Interest Rate Derivative Contracts
Holding all other factors constant at 30 September 2026:

a) An instantaneous increase (decrease) of 10% in the value of the pound sterling relative to the US dollar would have decreased (increased) the aggregate fair value of our cross-currency and interest rate derivative contracts by £940.6 million;

b) An instantaneous increase (decrease) of 10% in the value of the pound sterling relative to the euro would have decreased (increased) the aggregate fair value of our cross-currency and interest rate derivative contracts by £591.6 million; and

c) An instantaneous increase (decrease) in the relevant base rate of 50 basis points (0.50%) would have increased (decreased) the aggregate fair value of our cross-currency and interest rate derivative contracts by £114.0 million and (£116.9 million), respectively.


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