CITYFIBRE INFRASTRUCTURE HOLDINGS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY NUMBER 08772997

The following is an excerpt from the audited annual financial statements of CityFibre Infrastructure Holdings Limited for the year-ended 31 December 2025 ("the financial statements"). The remaining information in the financial statements has been excluded from this document on the basis that it contains commercially sensitive information. On or before 30 September 2026, this document will be replaced on the company's website by the financial statements, at the same time as these are filed with Companies House.

Addendum to the Strategic Report

In June 2018, CityFibre was acquired by a consortium formed by Antin Infrastructure Partners and West Street Infrastructure Partners, a fund managed by Goldman Sachs. Mubadala Investment Company and Interogo Holding joined the existing investors and became minority shareholders after investing in August 2021. Newlight Partners became a minority shareholder in May 2024 following the acquisition of Lit Fibre, while PATRIZIA's European Infrastructure Fund II joined the shareholder group as a minority shareholder following the acquisition of Connect Infraco Limited in March 2025. All the investors are private equity firms, and their representatives who are Directors are detailed below.

The Directors of Connect Infrastructure Topco Limited, the ultimate parent company, during the period and subsequent to the reporting period, are as follows:

- *S J Holliday, Chairman at CityFibre*
- *W G Mesch, Vice Chairman at CityFibre*
- *S N J Holden, Chief Executive Officer at CityFibre*
- *N J Dunn, Chief Financial Officer at CityFibre*
- *P L H Camu, Co-CIO & Chairman of Infrastructure at Goldman Sachs Alternatives (appointed 20th April 2018, resigned 16th December 2025)*
- *R S Clark, Managing Director at Goldman Sachs Alternatives*
- *S L Lim, Executive Director at Goldman Sachs Alternatives (appointed 8th September 2025, resigned 23rd June 2026)*
- *T C P Cannell, Global Head of Infrastructure at Goldman Sachs Alternatives (appointed 16th December 2025)*
- *M J Crosbie, Co-Founder, Vice-Chairman of the Board at Antin Infrastructure Partners*
- *S J Ifker, Managing Partner and co-Chief investment Officer at Antin Infrastructure Partners*
- *A Belkahia, Partner at Antin Infrastructure Partners*
- *M T Barakat, Advisor, Infrastructure at Mubadala Investment Company (appointed 26th August 2021, resigned 16th December 2025)*
- *K S Al Marri, Chief Executive Officer of Real Assets at Mubadala Investment Company (appointed 26 March 2024, resigned 25 February 2025)*
- *S A Ahmed Arar, Executive Director at Mubadala Investment Company (appointed 25 February 2025)*
- *A E K El Jazzar, Director of EMEA Infrastructure at Mubadala Investment Company (appointed 24th February 2026)*
- *S E Flood, Non-Executive Director at CityFibre*
- *M N Morris, Non-Executive Director at CityFibre (appointed 24th September 2025)*

Company ownership

Connect Infrastructure Topco Limited, a company limited by shares incorporated in the UK, is the ultimate parent company of CityFibre Infrastructure Holdings Limited (the “Company” or “CityFibre”). Since July 2018, Connect Infrastructure Topco Limited has been jointly controlled by a consortium formed by Antin Infrastructure Partners and West Street Infrastructure Partners, a fund managed by Goldman Sachs. Mubadala Investment Company and Interogo Holding joined the existing investors as minority shareholders following their investment in August 2021. Newlight Partners became a minority shareholder in May 2024 following the acquisition of Lit Fibre, and PATRIZIA’s European Infrastructure Fund II joined the shareholder group as a minority shareholder after the acquisition of Connect Infraco Limited in March 2025.

Antin Infrastructure Partners

Antin Infrastructure Partners is a leading independent private equity firm focused on infrastructure investments. With 34 partners and over 250 professionals across six offices, the firm manages funds that invest in infrastructure in Europe and North America, targeting investments in the energy and environment, digital, transportation and social infrastructure sectors.

Antin Infrastructure Partners has over €33 billion of assets under management. The firm’s 18-year track-record of investing includes five flagship infrastructure funds, one mid cap infrastructure fund and one fund dedicated to investing in the next generation of infrastructure. These funds are backed by over 300 institutional investors from across Europe, North America, the Middle East, Asia, Australia and South America, including pension funds, insurance companies, asset managers and sovereign wealth funds.

Antin Infrastructure Partners has significant experience in acquiring and owning digital infrastructure assets. In particular, through its ownership of Elanta (a leading independent wholesale fibre platform in Spain), FirstLight Fiber (a leading provider of fibre bandwidth services to enterprise, wireless and carrier customers in six states across the North-eastern U.S.) and Eurofiber (a leading independent fibre network in the Netherlands, Belgium, France and Germany, serving corporates including telecoms and utilities businesses, SMEs, NGOs and public organisations), Antin Infrastructure Partners has developed an in-depth understanding of the relevant business models, key risks and growth drivers involved in owning a fibre roll-out asset.

West Street Infrastructure Partners (fund managed by Goldman Sachs)

Goldman Sachs (NYSE: GS) is one of the leading investors in alternatives globally, with over $625 billion in assets and more than 30 years of experience. The business invests in the full spectrum of alternatives including private equity, growth equity, private credit, real estate, infrastructure, sustainability, and hedge funds. Clients access these solutions through direct strategies, customised partnerships, and open-architecture programs. The business is driven by a focus on partnership and shared success with its clients, seeking to deliver long-term investment performance drawing on its global network and deep expertise across industries and markets. The alternative investments platform is part of Goldman Sachs Asset Management, which delivers investment and advisory services across public and private markets for the world’s leading institutions, financial advisors and individuals.

Goldman Sachs has more than $3.6 trillion in assets under supervision globally as of December 31, 2025. Established in 2006, Infrastructure at Goldman Sachs Alternatives has invested $16 billion across 40 portfolio companies since its inception. The business has a long track record of investing across the key sectors of infrastructure, including energy transition, digital infrastructure, transportation & logistics and circular economy.

Company ownership (continued)

Mubadala Investment Company

Mubadala Investment Company is a sovereign investor managing a global portfolio, aimed at generating sustainable financial returns for the Government of Abu Dhabi.

Mubadala's approximately US$330 billion (c. AED 1.2 trillion) portfolio spans six continents with interests in multiple sectors and asset classes. The business leverages deep sectoral expertise and long-standing partnerships to drive sustainable growth and profit, while supporting the continued diversification and global integration of the economy of the United Arab Emirates.

For more information about Mubadala Investment Company, please visit: www.mubadala.com

Interogo Holding

Interogo Holding is a foundation-owned international investment business, whose strategies include private and long-term equities, real estate, infrastructure and liquid assets. Interogo Holding focuses on sectors and strategies where it can benefit from its long-term business approach, financial strength and commitment to also consider non-financial aspects of an investment.

The infrastructure investment business targets direct investments in Europe and North America, across the infrastructure sector. The strategy is to acquire holdings in infrastructure companies that provide essential services to society, are recession resilient, and offer downside protection through stable and predictable cash flows.

Company's directors

Steve Holliday (Chairman)

Steve Holliday is a highly experienced non-executive chairman with a career spanning energy, infrastructure, and public life. As Chief Executive of National Grid from 2007 to 2016, he led one of Europe's largest utilities through a decade of major transformation. He currently chairs CityFibre, Zenobe Energy, and Generation UK, and has held board roles at Marks & Spencer, DEFRA, and Crisis. A graduate and honorary doctor of the University of Nottingham, he is a Fellow of the Royal Academy of Engineering and a Fellow and Past President of the Energy Institute.

Simon Holden (Chief Executive Officer)

Simon joined CityFibre in 2019 as COO and became CEO in 2025. Prior to this, Simon was a partner at Goldman Sachs where he held senior roles in London and New York in the Investment Banking division as well as a number of leadership roles in the Telecom, Media and Technology banking team. Before that, Simon worked for ING Barings in London and Hong Kong. He trained as a Chartered Accountant with Coopers and Lybrand.

Nick Dunn (Chief Financial Officer)

Prior to joining CityFibre in January 2021, Nick served for 10 years as CFO at Gatwick Airport. Before that, he worked with Anglo American plc and with Centrica plc in a number of senior finance roles, including Director of Group M&A, Finance Director for Centrica Energy as well as Finance Director for British Gas Business. Nick also brings more than 10 years' experience in investment banking, with the majority of that time spent specialising in the infrastructure sector. Working on acquisitions, IPOs and financing transactions in the UK and internationally, he has advised both governments and private investors.

Company's directors (continued)

Sharon Flood (Non-Executive Director)

Sharon Flood is a highly experienced non-executive director including Chair of Audit roles at Network Rail, Pets at Home PLC, Crest Nicholson PLC. Her executive career included Finance Director of John Lewis Department Stores and as a Group CFO at Sun European. She is currently Chair of Council for the University of Bath, Chair of Safety and Security at Getlink SA and an NED at Scottish Mortgage Investment Trust PLC. She is a fellow of the Chartered Institution of Management Accountants, holds an MBA from Insead and a BSc in Mathematics from the University of Bath.

Mark Morris (Non-Executive Director)

Mark Morris has over 25 years of leadership experience in delivering, turnarounds, transformations, M&A and financial restructurings in the Oil & Gas, Aerospace, Construction and FM Services sectors. His previous roles include, CEO of Interserve Group Limited, CFO of Seadrill Limited, CEO of Seadrill Partners LLC and CFO of Rolls-Royce Group plc. He is an experienced non-executive director having held posts at Interserve Group Limited and MIME Petroleum SA Norway. Mark currently also serves as Chairman at SES Energy Ltd, a private equity owned oil field services company. He has a degree in Aeronautical Engineering from the University of Manchester.

CityFibre – at a glance

CityFibre was founded to develop a new generation of digital infrastructure for the UK - infrastructure capable of transforming the digital capabilities of citizens and businesses, sparking innovation and underpinning our economy in the data age.

Today CityFibre operates the UK's largest independent Full Fibre[1] platform. Supporting market-leading wholesale connectivity services, its carrier-grade networks enable its wholesale customers to serve ultra-reliable, Gigabit speed and futureproof broadband, Ethernet and 5G services to homes, businesses, schools, hospitals and GP surgeries – as well as meeting the connectivity demands of an increasingly digital world.

CityFibre's network now passes over 4.7 million premises[2], up 7% year on year, and we plan to reach more than 8 million premises, approximately one third of the UK market, by acquiring infrastructure and consolidating the sector, alongside continued delivery of contracted organic build.

CEO review

2025 was a landmark year for CityFibre, marked by record-breaking customer growth and profitability. Take-up accelerated in the second half of the year, driven by the successful launch of Sky[3] across our nationwide, Full Fibre footprint and continued service, product and pricing leadership across our newly upgraded 10Gb XGS-PON network.

Throughout 2025, we made significant progress towards our strategic priorities:

1. Expand our wholesale-only network to reach more than 8 million UK premises
2. Drive take-up across all market verticals: residential, business, public sector and mobile
3. Deliver market-leading products and services across the UK's most advanced Full Fibre network.

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[1] Full Fibre consists of fibre optic cabling used from the local exchange, all the way to the end-user premises, relying on no copper-based telephone lines.
[2] Premises passed: The property has fibre allocation and a fibre route available to the boundary of the premises, but may not yet be connected.
[3] Sky is one of the UK's leading media and entertainment companies, and its products include broadband services. Sky is part of Comcast Corporation.

CEO REVIEW (continued)

These priorities ensure CityFibre reaches scale and our full potential as a leading competitor to BT Openreach and the wholesale network of choice for consumer and business ISPs[4], mobile network operators and service integrators.

Doing so will ensure a sustainable competitive infrastructure market that will deliver long-term benefits for consumers, businesses and the UK economy.

Major £2.3 billion financing round

Our £2.3 billion financing round was a major commitment to CityFibre's next phase of growth as we consolidate the Altnet sector, accelerate the pace of customer connections and unleash the full power of our market-leading 10Gb XGS-PON network.

The financing included over £500 million in new equity secured from existing CityFibre shareholders, Infrastructure at GS, Antin Infrastructure Partners, Mubadala Investment Company and Interogo Holding, alongside a committed £960 million expansion of existing debt facilities, supported by lenders including ABN AMRO, BBVA, Crédit Agricole CIB, ING, Intesa Sanpaolo IMI CIB, Lloyds, the National Wealth Fund, NatWest, SEB and Société Générale. The facility will support CityFibre's continued network investment and enable it to rapidly connect hundreds of thousands of new customers across its nationwide network.

An accordion facility of over £800 million was also made available to help drive our continued expansion through the acquisition of Full Fibre network assets, of which £300 million is already committed.

Expanding our network:

2025 saw a continuation of the strategic shift we began in 2024, from a primary focus on organic build to a more balanced model of network expansion that makes the most of the Altnet[5] consolidation opportunity, backed by our £2.3 billion financing. A combination of organic build, participation in the government's Project Gigabit[6] programme and M&A saw CityFibre's network grow to reach over 4.7m premises in 2025, with 4.5 million Ready for Service[7] (RFS).

Combined, CityFibre and the Altnets serve approximately 18 million premises across the UK. Consolidation in the market represents a major opportunity for CityFibre to deliver a bigger footprint quickly and efficiently for our ISP partners. As the largest of the challenger networks, we are in a strong position to consolidate these networks and we believe the opportunity for acquisitions to be significant and growing.

In March 2025, we announced the acquisition of Connect Infraco Limited's Full Fibre infrastructure, establishing a material foothold across Hull and East Riding. The acquisition enabled the expansion of CityFibre's footprint by at least 80,000 premises, with options to extend further over time. Following the rapid integration of Connect Infraco Limited's infrastructure into CityFibre's 10Gb XGS-PON network, we launched in Hull and East Riding in November 2025, bringing over 30 market-leading broadband providers to the area for the very first time, with a very strong sales performance for our ISP partners demonstrating the benefits of CityFibre's wholesale model for consumers and businesses across the area.

Our 10Gb XGS-PON upgrade, completed in just 24 months, gave CityFibre the UK's largest XGS-PON network and enabled us to launch our new 'Multi-Gig' broadband product nationwide. With wholesale speeds up to 5.5Gb, our ISP partners are now introducing the next generation of Multi-Gig broadband speeds to millions of UK consumers and businesses.

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[4] ISPs: Internet Service Providers

[5] Altnet: Alternative Full Fibre broadband network providers.

[6] Project Gigabit: Government's programme to enable hard to reach communities to access fast Gigabit capable broadband.

[7] RFS premises: The property is available to place orders and make installation on and therefore be connected.

CEO REVIEW (continued)

Driving take-up

2025 saw record-breaking customer growth for CityFibre, with 848,000 customers connected across CityFibre's network as at 31 December 2025. Consumer take-up accelerated in the second half of the year, driven by the successful launch of Sky across our nationwide, Full Fibre footprint and continued product, pricing and service leadership across our newly upgraded 10Gb XGS-PON network.

Q4 saw an average of more than 50,000 new customers installed each month, a 112% increase year-on-year. CityFibre has now exceeded 20% penetration across our consumer footprint[8] and we are on track to exceed 30% by the end of 2026. In recent months, around 70% of households who were switching broadband provider moved onto the CityFibre network where available[9].

This outperformance is driven by CityFibre's proposition for ISPs focused on three pillars:

- **Best service:** our focus on service drives a great experience for end customers and a lower cost to serve for ISPs
- **Best product:** we have the UK's largest XGS-PON network, supporting market-leading Multi-Gig services featuring symmetrical upload and download speeds
- **Best prices:** our pure wholesale model enables us to provide attractive service pricing, enabling ISPs to gain share on our footprint while lowering cost and increasing margin

Our focus on service has ensured we continue to offer an outstanding experience for CityFibre customers, including 99.98% network availability and 99.8% of appointments delivered on time, whilst we accelerate our rate of growth, with 330,000 new customers in 2025, an uplift of 82% YoY.

CityFibre continues to grow across our consumer, business, government and mobile sectors, including tripling the availability of our Ethernet services in 2025 and expanding our business FTTP broadband services, designed to meet the needs of small businesses, small or home offices (SoHos) and home workers with symmetrical speeds of up to 2.5Gb alongside rapid fix times of less than eight hours, across our Full Fibre, nationwide footprint.

With consumer, business, government and mobile all contributing to our success, and business revenues increasing to £30 million in 2025, CityFibre has confidence in sustained growth as the network densifies and our commercial partnerships scale.

Key Performance Indicators (KPI)

The following metrics represent the principal KPIs that management uses to assess performance against our strategic priorities:

	2025	2024	% Change YoY
Revenue (£million)	169.6	133.9	+26.7
Consumer Revenue (£million)	113.8	76.1	+49.5
Adjusted EBITDA (£million)[10]	29.2	5.7	+412.3
Consumer connections – additions (000's)	329.8	181.2	+82.0
Consumer connections – cumulative (000's)	848.0	518.2	+63.6
RFS Premises – cumulative (million)	4.5	4.1	+9.8
Premises Passed – cumulative (million)	4.7	4.4	+6.8

[8] Consumer penetration rate being the percentage of homes connected to the CityFibre network out of the available consumer premises.

[9] CityFibre's Gross Adds as percentage of the nationwide switching rate applied to CityFibre's footprint.

[10] EBITDA, a non-GAAP alternative measure, is defined as operating loss adding back depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adding back non-recurring revenue and administrative expenses, restructuring charges and management incentives charges.

CEO REVIEW (continued)

Key Performance Indicators (KPI) (continued)

Why these measures are used as KPIs:

Revenue: Measures overall scale and growth of the business and is a primary indicator of commercial performance.

Consumer Revenue: Tracks momentum in the core retail segment, a significant driver of long-term value.

Adjusted EBITDA: Indicates underlying profitability and operational efficiency, excluding one-offs.

Consumer Connections (additions and cumulative): Shows customer adoption and directly links to recurring revenue generation.

Premises RFS (cumulative): Indicates readiness for service and the size of the footprint that is available for customer activation.

Premises Passed (cumulative): Measures network rollout progress and future addressable market.

Financial Discipline

Our careful stewardship throughout 2025 strengthened CityFibre's financial foundations and our customer growth helped to deliver record revenues of £170 million in 2025, up 27% year-on-year, with consumer revenue growth of 50%. Adjusted EBITDA surged 412% to £29 million. CityFibre exited 2025 strongly, with annualised run rates over Q4 of £200 million revenue and over £50 million adjusted EBITDA.

Supported by an additional £2.3 billion in financing during the year, CityFibre enters 2026 with renewed ambition to consolidate the sector and extend our market-leading service, products, and economics to even more customers across the UK.

Environmental, Social and Governance (ESG)

Our ESG activities are at the heart of what we do. They are fundamental not only to our shareholders and lenders but to our business decisions, our operations and the communities within which we work.

We continue to monitor our carbon footprint, enhance the quality of the data we use, and work towards reducing our emissions. Throughout 2025, we focused on our near-term Science-based Targets, which were validated by the SBTi in February 2025.

As part of this effort, we have developed a detailed carbon reduction plan across our business operations and supply base, which was published in 2025. Additionally, we have developed an energy-saving plan that includes various actions to improve the energy efficiency of our operations.

We have also achieved significant work in the community as part of our Project Gigabit awards, including continuing to build relationships with The Wildlife Trust and STEM Learning Partnership[11]. We also launched our community fund with both large and small funding streams, which helped to financially support 41 charities and non-profit organisations across Project Gigabit build locations.

In 2026, we will continue this work. Operationally, we will continue decarbonising our fleet and focus on our supply chain emissions, working with our trusted partners on how to bring these down as best possible.

[11] STEM Learning Partnership: Science, technology, engineering and mathematics learning partnership.

CEO REVIEW (continued)

Future outlook

Looking ahead, our nationwide 10Gb XGS-PON network will enable our ISP partners to unlock the power of Multi-Gig as we deliver future-proofed digital infrastructure for consumers, businesses, Government and mobile partners throughout the UK.

Our 5.5Gb wholesale product has helped our ISP partners innovate with Multi-Gig speeds and saw Sky launch its new Full Fibre 2.5 Gigafast+ and Full Fibre 5 Gigafast+ packages across our nationwide network, giving Sky's customers the UK's fastest broadband speeds from any major provider. Looking ahead, we plan to launch even faster Multi-Gig services in 2026 and will continue to innovate across our 10Gb XGS-PON platform and bring new products and services to our customers.

With a landmark £2.3 billion financing secured, CityFibre is well-positioned to consolidate the sector and grow through M&A. With over 4.7 million premises already passed, we are more than half-way to our 8 million premises milestone, around a third of the UK, and plan to grow even further.

CityFibre is the UK's Full Fibre challenger, a trusted, high-performance wholesale alternative that drives innovation, competition and long-term growth for the UK economy. But more than that, we're here to create opportunity – enabling technologies like AI to reach every household, helping people, businesses and communities to do more, reach further and stay connected to what matters.

Principal risks and uncertainties

Risk	Mitigation
Liquidity Our ability to achieve our objectives is dependent on us effectively managing liquidity, including the ability to access existing and future equity and debt funding to deliver Full Fibre connectivity to 8 million homes. Access to funding remains dependent on operational delivery and we are also required to comply with banking draw stops, covenants and other financial obligations as they fall due.	We successfully secured £2.3 billion financing in 2025, including both debt and equity, to support the delivery of our business plan. We have further strengthened cash flow processes to support lender requirements and remain focussed on the effective management of working capital and maintaining compliance with banking covenants and debt draw conditions. We forecast both short and long-term cash flow and perform sensitivity analysis. We actively engage with shareholders, lenders and funding partners on funding requirements, including the execution of our acquisition strategy.
Interest rates We have a floating interest rate exposure linked to SONIA[12] that we pay on our debt facility. Interest rate rises and volatility could increase borrowing cost.	We have appropriate hedging instruments in place covering minimum 50% of debt, updated to reflect our new financing, to mitigate our exposure to interest rate fluctuations within the terms of our existing financing facilities. Through the consistent delivery of our strategy, we expect to be able to access a wider pool of funding, at competitive interest rates, supported by our team of experienced advisors.

[12] SONIA (Sterling Overnight Index Average): is a daily overnight interest rate benchmark for sterling-denominated deposits administered by the Bank of England.

Principal risks and uncertainties (continued)

Risk	Mitigation
Competition The UK telecommunications sector is highly regulated. We compete for customers with BT Openreach, Virgin Media O2/Nexfibre, and other Altnets. Our business model depends upon customers switching to Full Fibre on the CityFibre network, which relies on a sufficiently differentiated product and competitive pricing. In addition, the Full Fibre market continues to go through a period of consolidation, the impacts of which are uncertain.	We have the second largest Full Fibre network in the UK, supported by strong capital access and established revenues. Our strategic partnership with Sky supports expansion to 8 million homes and a multi-year migration opportunity, while our participation in Project Gigabit enables ISP engagement in locations where there is limited Full Fibre competition. We regularly review our products to ensure our offer remains competitive, supported by the XGS-PON rollout delivering market-leading speeds. We successfully completed the acquisition of Connect Infraco Limited in 2025 and intend to play a key role in the ongoing Alt-Net market consolidation with an experienced team of advisors in place to support the delivery of our acquisition strategy.
Regulatory Environment The UK telecommunications market is regulated by Ofcom who are responsible for overseeing quality and choice of services in the UK, and promoting competition, for the benefit of consumers. A failure to address anti-competitive behaviours in the Full Fibre wholesale market, could affect our ability to compete.	We continue to engage proactively with both Ofcom and Government and take actions as necessary to ensure our position is appropriately represented and protected. The Telecoms Access Review, due for publication in March 2026, sets the regulatory framework for 2026-31 and is expected to be largely in line with consultation proposals with an emphasis on the importance of long term sustainable network competition supported by favourable regulatory conditions.
Transformation and Change Our position as the second-largest Full Fibre network in the UK and a critical part of national telecommunications infrastructure reflects our ability to adapt and grow at pace. Our business plan depends on scaling through organisational, technology, and operational transformation. Failure to scale effectively may cause operational and customer disruption, compliance breaches, increased costs, and reputational damage.	We are undergoing significant change to deliver our strategy. Our organisation redesign aligns people and skills to priorities, including integration of acquired networks and operations, delivery of our technology roadmap, and scaling to meet customer demand. The Chief Transformation Office and Chief of Staff, alongside the Integration Management Office, strengthen governance and oversight. Programme governance identifies dependencies, tracks milestones, and monitors benefit realisation.
Organisational Resilience As a critical national infrastructure (CNI) provider we play a crucial role in the UK telecommunications infrastructure. Network assets and operations that are unable to withstand threats arising from climate change, physical damage, loss of power, software failure or other adverse events could lead to loss of connectivity for critical public services, business and customers. This could undermine trust and has the potential to impact delivery of our strategy.	Our network architecture reduces single points of failure through diversity and failover. Assets are climate-resilient, securely housed, and supported by generator backup. Resilience requirements are embedded across suppliers through contractual and assurance controls. ISO22301-certified business continuity and disaster recovery processes are regularly tested. Cybersecurity controls, supplier assurance, and contingency plans protect critical dependencies. Our Network Operations Centre monitors availability, performance, and fault resolution. Incident management procedures align with regulatory expectations, and compliance with the Telecoms Security Act is monitored.

Principal risks and uncertainties (Continued)

Risk	Mitigation
Outsourced Construction We award contracts to principal construction and installation partners in order to build and deploy our Full Fibre network and rely on their, and their subcontractors, ability to deliver in line with agreed contractual terms and within the UK legal and regulatory framework. This exposes us to non-delivery of our targets, third party insolvency risks, the potential for contract dispute and litigation, and reputational damage should standards of corporate governance fall short of our requirements.	As we look to deliver growth through acquisition, our core build activity has reduced however our installation activity has increased. We now work with fewer construction and installation partners, prioritising those who can demonstrate compliance with UK laws and regulations and whose standards and values align with our own. Our supply chain strategy is focussed on ensuring dual suppliers for critical areas, building resilience into our supply chain to meet the growing install demand. Contract management processes have been strengthened to ensure ongoing review and monitoring of contractor performance, legal, regulatory and contract compliance, and financial due diligence allowing us to make early interventions where required.
Health and Safety Network construction and installation activities present inherent health and safety risks to employees, contractors, and the public. We rely upon our principal contractors to ensure their subcontracted workforce comply with our policies and procedures. Failure to meet required standards may result in injury, litigation, reputational damage, and loss of customer or government contracts.	We maintain robust health and safety standards, through our membership of SHiFT (Safety & Health in Fibre Telecoms), supported by a dedicated Safety, Health and Environment team who work closely with our principal contractors to ensure compliance with legal obligations. Our practices are ISO45001-certified and have received five consecutive Gold Awards from RoSPA. We continuously enhance controls, supervision, and contractor oversight to address increased installation activity, including contractor improvement programmes where required. We support employee wellbeing through assistance programmes, mental health first aiders, private medical cover, and enhanced support during the recent restructuring of our business.
Data and Cyber Security As the third largest telecommunications network in the UK, we form part of critical national infrastructure (CNI) and are exposed to the increased frequency and complexity of cyber-attacks. The sustained threat environment, combined with new and amplified threats from the emergence of AI, has the potential to cause disruption to our ISP customers and operations, and data breaches resulting in regulatory and financial penalties.	We continue to strengthen cyber and information security to address evolving threats through enhanced tools and incident response capabilities. Our ISO22301-certified business continuity plan supports cyber-attack response. Employees are required to complete mandatory training, supported by awareness campaigns, phishing simulations, and privileged access monitoring. We have adopted ISO27001 2022 and monitor compliance with the Telecommunications Security Act, including across our supply chain. We participate in Government-backed Cyber Essentials scheme, collaborate with Government, Ofcom, and industry peers, and maintain cyber insurance cover.
Digital Disruption and Emerging Technology Reliance on legacy systems, data inconsistencies, and non-scalable processes may limit automation, operational effectiveness, and efficiency. GenAI brings opportunity but heightens cyber, privacy and operational risks (AI-enabled attacks, deepfakes, biassed decision-making) and raises ethical, legal and workforce considerations.	Our technology roadmap aligns with business priorities. Our increased focus on data architecture, quality and governance also ensures we are able to maximise the opportunity to drive efficiencies through automation as we scale. We recognise AI's transformative potential and apply ethical principles, a security-first approach, data privacy, and responsible decision-making, with a focus on mitigating bias and maintaining transparency. Our AI security policy, training, and new monitoring tools support appropriate use and compliance.

Principal risks and uncertainties (Continued)

Risk	Mitigation
Global Economic and Geopolitical Uncertainty Global economic and geopolitical uncertainty exposes UK businesses to interconnected risks. Ongoing US–China tensions may disrupt global trade routes and semiconductor and fibre supply chains. Political developments may influence trade policy, tariffs, and taxation, affecting inflation, lending markets, and insolvency risk. We, our contractors, and customers are exposed to these pressures, which may increase costs, disrupt delivery, and affect customer demand.	Our supply chain strategy includes diversification of supplies and friendshoring to reduce disruption risk. We regularly review materials demand forecasts and work closely with construction partners to maintain sufficient stock. Our acquisition-led growth strategy reduces reliance on new build materials and labour. Construction contracts include market benchmarking provisions. We conduct financial due diligence on suppliers and monitor liquidity to reduce contract failure risk. Customer receivables are actively monitored, with recovery action taken where required.
Environmental, Social and Governance Failure to operate sustainably and meet ESG commitments may result in regulatory non-compliance, reputational damage, and reduced access to customers, talent, and capital. In addition, as a UK business, we are required to incorporate sustainability goals in order to meet legislation and comply with mandatory reporting requirements as we transition to a greener economy and net zero 2050 targets. Our approach is outlined in our Responsible Business strategy and failure to deliver on the commitments made could affect our long-term business performance, profitability and liquidity.	Our Responsible Business strategy includes commitments to our people, our society and our planet with an established Board Sub Committee to oversee governance. We have a detailed approved decarbonisation plan, supported by specialist advisors, from which we have set Net Zero and SBTi goals and have already converted to the use of renewable energy across the vast majority of our operations. We support social value through partnerships with organisations including The Wildlife Trusts, Business in the Community, and STEM Ambassador. We have also established our own CityFibre Community Fund to directly fund community projects. We remain committed to the delivery of our gender goals, digital inclusion, and skills development. We encourage employees to take charitable leave for causes important to them and have increased paid volunteering days to three, with an expanded scope that includes our nominated charities. Our zero-tolerance approach to corruption is supported by policies, training, and our Supplier Code of Conduct. Employees complete fraud awareness training, and our Speak Out policy provides guidance on how to raise concerns in the knowledge that all reports will be investigated fairly and without fear of retaliation. We monitor regulatory developments and ESG reporting requirements to ensure ongoing compliance.

Principal risks and uncertainties (Continued)

Risk	Mitigation
Human Capital, Diversity and Talent Management We recognise that our employees are our greatest asset. In order to be able to attract and retain talent and knowledge, employees are expecting more from employers, including greater work-life balance, access to learning and development, career progression, and employers who can demonstrate strong social values and purpose. We, and our construction and installation partners, rely upon being able to attract a diverse range of talent crucial to the successful delivery of our strategic plans.	Our geographically diverse workforce supports access to a broad talent pool. Retention and development initiatives include succession planning, salary benchmarking, competitive benefits, and structured onboarding. We monitor attrition and conduct exit interviews to identify improvement opportunities. We provide training and development through our learning platforms, accredited programmes, mentoring, and coaching. Employee feedback is captured through our annual Employee Voice Survey and translated into action plans. Flexible working arrangements and wellbeing support promote work-life balance. We provide resources to support physical, mental and financial wellbeing, including GP access, savings and discounts, and a 24/7 confidential helpline. Our values are reflected in the CityFibre Way and our employee recognition programmes. Strong ethics and conduct policies underpin an inclusive culture, supported by active diversity, equity and inclusion networks across gender, disability, cultural inclusion, carers and LGBT+ communities.

Section 172 Statement

The Board acknowledges Section 172 (1) of the UK Companies Act 2006, and its duty to promote the success of the Company. The Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to:

a) the likely consequences of any decision in the long term
b) the interests of the Company's employees
c) the need to foster the Company's business relationships with suppliers, customers and others
d) the impact of the Company's operations on the community and the environment
e) the desirability of the Company maintaining a reputation for high standards of business conduct
f) the need to act fairly between members of the Company.

The Board considers that all their decisions are taken with the long term in mind, understanding that these decisions need to consider the interests of our employees, relationships with suppliers, customers and the communities in which we operate. The Board understands the need to regularly review the identity of these stakeholders, as they make such decisions.

The Board receives regular feedback from its stakeholders through regular reporting through the Board and its sub-committees, to ensure their needs and views are taken into account. Where appropriate, direct engagement with stakeholders is used to inform the Board, such as regular employee engagement surveys and customer experience statistics. The Board also assesses whether stakeholder engagement best takes places at an operational level, particularly in relation to our suppliers and communities in which we operate, due to the size and spread of both the stakeholders and the business.

The Board also recognises the desirability of maintaining a reputation for high standards of business conduct through our published policies and training of CityFibre employees in those policies.

Section 172 Statement (continued)

Our shareholders nominate directors that control the board of the ultimate holding company and are actively involved in our major decision making. Those shareholders are active owners of other businesses in the infrastructure sector in the UK and overseas and bring that experience to bear in the decision making of CityFibre.

The key stakeholders are set out below:

Customers

We have built our cities based on a "Well Planned City" design methodology we have developed. We are building our networks with sufficient capacity to serve consumer, business, public sector and mobile operator customer groups. CityFibre is an open access network wholesale only provider and the end users of our network primarily consume services through other providers such as ISPs, business resellers, public sector systems integrators and mobile network operators. We aim to develop relationships with all the major national players with customer bases covering the majority of end users in the UK. We believe that our national scale makes us an attractive partner because it can provide an efficient platform for systems, service and marketing investment and a clear alternative to the two national incumbent networks in the UK.

We also recognise that our customers expect consistently high levels of service, reliability and responsiveness from our network. We are committed to meeting these expectations by maintaining strong network performance, embedding operational excellence and driving continuous improvement across all aspects of our service delivery.

Suppliers

As we deploy our network, we are making use of the very latest and best fibre technology available. We believe that by investing in the best technology we will create a high quality and resilient network which will attract and retain customers across our key market verticals and build long-term value for all parties. CityFibre targets technology suppliers who can provide a strong product roadmap and the innovation we require to maintain a world-class network into the future. Due to the scale of our network infrastructure and critical national dependency, we take into account Government advice in respect of national security issues when selecting suppliers and require our suppliers and contractors to work within the terms of our Supplier Code of Conduct. Please see the section on Business Ethics and Conduct on page 26 for further information.

Construction Partners

Our construction partners are key to our success. We identify and select the best construction partner for each city based on a range of criteria including quality of build, ability to mobilise the local construction work force and the expected cost to build the network. While we focus closely on the productivity of our construction partners, the health and safety of the construction workers building our networks is of paramount importance, as outlined in the section below on Health and Safety on page 24.

Employees

We have central offices in Milton Keynes, Telford, London and Irlam which house technical, commercial, customer service and corporate teams supporting the business. We also operate teams in each of the locations currently under construction, to work closely and establish a strong relationship with the local council, Highways Agency, our customers and our local construction partners. Our preference is to hire locally and, where possible, we seek out potential employees who are in the early stages of their career who can be trained and grown in the business. We value employees who have a local affinity with the location in which they work because we hope they will be proud of the legacy they are building in benefitting the entire community. We are also actively working to ensure we build and maintain a diverse and inclusive workforce, a programme supported by our Diversity and Inclusion Leadership Group. The behaviours set out in The CityFibre Way guide how we think, act and work and we conduct a yearly Employee Survey taking on board feedback from our employees and implementing action plans to address these to improve employee satisfaction.

Further information on these initiatives as well as our gender diversity reporting is within the Responsible Business section on page 23 onwards.

Significant decisions made in the year are detailed below, which demonstrate how the interests of the stakeholders above have been considered by the Board:

Section 172 Statement (continued)

Sky Service Launch

Following the 2024 agreement between CityFibre and Sky, the Board oversaw the successful go-live of Sky services in July 2025 on our nationwide network, including multi-gig packages up to 5 Gbps. This decision expanded consumer choice, accelerated take-up across our footprint and deepened relationships with a key national ISP.

£2.3 billion Financing to Support Growth & Consolidation

The Board approved a major financing round comprising over £500 million of new equity, a £960 million expansion of existing debt facilities and an over £800 million accordion to fund M&A. This strengthened liquidity, underpinned the next phase of network expansion and positioned the Group to lead sector consolidation in the UK Altnet market.

Corporate Development Activity

In 2025 the board pursued additional potential acquisition opportunities to further expand the network footprint through the strategic acquisitions of UK Altnets alongside the continued growth through organic build. This will allow CityFibre to continue to scale at pace and allow our ISP partners and their end customers the ability to connect to an extended network footprint. The decision-making process included consideration of the potential impact on stakeholders which predominantly related to customers and their ability to connect to a larger network. As part of this strategy, the Board approved the acquisition of Connect Infraco Limited, which was completed on 24 March 2025. Following rapid integration of the acquired footprint, the Board approved the commercial launch in Hull in November 2025, enabling more than 80,000 premises to access services from over 30 ISPs for the first time. This increased local consumer choice and supported competition in the local market.

New Multi-Gig product

The Board approved the launch of a new 5.5 Gbps symmetrical wholesale product in June 2025, enabled by the near-complete upgrade of the network to 10Gb XGS-PON. This decision enhanced partner economics and future-proofed the platform for further speed tiers expected from 2026.

Responsible Business

CityFibre is a business with a clear purpose. The digital infrastructure we build will help transform society, underpin global Britain's economic future, and unlock the country’s full potential. Our Full Fibre rollout will deliver significant economic, social, and environmental benefits across the UK. As we build our network, we have a duty to act responsibly, ensuring we play our part in leaving a fairer, greener, and healthier world behind. Not doing so would undermine the positive legacy we are determined to build and enable through our network. We drive change aligned with the three pillars of our Responsible Business strategy – Our People, Our Society and Our Planet.

Our People

We will only be able to make a genuinely positive impact if our CityFibre team, and those working alongside us, are happy, healthy, and representative of the communities we serve. That is why we put considerable emphasis on well-being, inclusion, diversity, and nurturing young talent. We support our people to bring their authentic selves to work and build lasting careers where they feel counted, accountable, and empowered.

Our Society

Digital infrastructure is of critical importance to our society. We are committed to helping build inclusive, enabled, and engaged local communities in all our rollout locations. By working with build partners, we have also helped to create a wide variety of apprenticeships and entry-level roles. From supporting digital inclusion initiatives, investing in programmes driving diverse participation in STEM education, or even just a community litter-pick, we are helping to make a difference.

Responsible Business (continued)

Our Planet

Climate change is one of the most pressing issues facing our planet today. We are fully aware of our role as a driver of decarbonisation for the economy and society. We take our responsibility seriously and are determined to roll out a low emission Full Fibre network and play our part in a greener future for Britain. By being a responsible business this also means optimising our working practices, technologies and behaviours and working closely with expert partners and our supply chain.

Responsible Business Governance

Ensuring that we can effectively track and monitor our performance against our strategy is critical to realising our ambitions. To do so, we continually strive to improve the data quality and insight that allows us to understand the impact we are having. Additionally, with an established Environment, Social and Governance (ESG) & Responsible Business Board Sub-Committee that meets quarterly, an operational monthly ESG & Responsible Business Steering Committee as well as Executive level sponsorship, we benefit from the oversight, challenge, and input of a variety of key stakeholders to translate intent into action.

The CityFibre Way

The CityFibre Way behaviours were co-created by employees and capture CityFibre's challenger mindset. These behaviours; 'Be the Groundbreaker', 'Collaborate to Innovate', 'Keep it Simple', 'Deliver Legendary Service' and 'Back Each Other', supported employees and helped the business deliver record performance over 2025, with 330,000 new customers connected to our network, an uplift of 82% YoY, and 0.4 million Ready for Service premises for our partners.

In our ongoing commitment to employee wellbeing we continued to provide employee benefits such as the Employee Assistance Programme, Private Medical Insurance, and the Holiday Purchase Scheme.

Diversity and Inclusion

Strengthening our culture of diversity and inclusion continued to be a focus for CityFibre throughout 2025. Over the past year, we have demonstrated that embracing different backgrounds and viewpoints remains fundamental to our ongoing progress and achievements.

In 2025 we made a change to the structure of our employee resource groups, transforming them into a network of communities and removing barriers to entry. This has allowed employees to work together across the communities to increase representation, amplify voices and champion diversity.

Additionally, we have refreshed and developed mandatory trainings for both Diversity, Equity and Inclusion as well as for Dignity at Work. These trainings are designed to remind current employees on their rights and responsibilities as well as to familiarise new employees with our processes and culture.

We understand the importance of working with external organisations and schemes to help us continuously improve. In 2025 we were accredited as a Disability Confident Leader, a Times Top 50 Employer for Gender Equality, a Menopause Friendly employer and earned the Gold Covenant for Military Support under the Defence Employer Recognition Scheme. We also strengthened our commitment to mental health at work through the Mind 'Mental health at Work Commitment' and refreshed our commitment with Purple Tuesday to improve the experience for customers with disabilities. We also laid the groundwork for the Care Leaver Covenant which we plan to achieve in 2026.

Responsible Business (continued)

Gender Diversity

As of 31 December 2025, CityFibre's gender split was as follows:

- Total Employees: 1,461 employees (excluding contractors), of which 26% identify as female (2024: 26%)
- Line Management Roles: 338 total, of which 26% identify as female (2024: 27%)
- There were 46 employees employed in the capacity of Executive or Director at CityFibre, of which 24% identify as female (2024: 33%)
- Of the six executives reporting directly to the CEO, three identify as female (50%).

We recognise that women are still underrepresented in the telecommunications, construction and technology industries and will continue to take steps to address the gender imbalance. Our gender diversity target for 2025 was 27% which we will continue to work towards in 2026, in addition to specific gender pay gap and female promotion KPIs.

Health and Safety

The Company Directors recognise their responsibilities to ensure, as far is reasonably practicable, the health, safety and welfare of all our employees, contractors and others who may be affected by the Company's operations. Our commitment to this is reflected through our training programmes, policies, processes and procedures, all of which align with our safety management system, which is ISO 45001, 14001 and 9001 accredited and independently audited, designed to comply with relevant legislation, including the Health and Safety at Work etc. Act 1974 and associated regulations.

The Company Safety, Health and Environment (SHE) programme focusses on key topics based on our risk profile, employee consultation, accident statistics and, where appropriate, industry trends. CityFibre take a collaborative approach with our contractor organisations and have formalised this with the launch of our Return On Experience Partnership programme, to ensure we share best practice, and continually improve SHE standards and performance.

The Company had one injury resulting in more than seven days of absence to a CityFibre employee reported under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 2013 ('RIDDOR') which was comparable to our performance in 2024.

Health and Safety (continued)

CityFibre contractors had eight injuries in 2025 (2024: seven), resulting in more than seven days of absence reported under RIDDOR.

Our Network Build Principal Contractor health and safety performance scores, aggregated across several different metrics compared against RFS, illustrated a threefold improvement from 2024. And due to the improved performance, no Network Build Contractor Continual Improvement Plans (CCIPs) were initiated.

We had one member of the public injury reported under RIDDOR and we maintained our site compliance performance score of 86% during inspections.

The Company 3 Year SHE Plan is designed to maintain progress toward our annual target of a 10% year-on-year improvement in performance and go beyond compliance. An integral part of our plan to go beyond compliance is our 'home safe and well' programme, which focuses on the behavioural aspects of our health, safety and wellbeing culture. Our strong focus on health and safety has led to a sustained performance and is reflected in our 2025 results as well as external validation and recognition.

In recognition of our strong and sustained culture, CityFibre achieved a milestone in Health, Safety and Wellbeing in 2025, securing a fifth consecutive Gold Achievement Award from the Royal Society for the Prevention of Accidents (RoSPA) for our dedication to ensuring staff and Partners operate in a safe environment.

Responsible Business (continued)

Information Security and Cyber Risks

Maintaining effective Information Security is essential for upholding the trust and confidence of customers, shareholders and other stakeholders, whilst also ensuring compliance with relevant legal and regulatory obligations. We implement comprehensive security protocols and conduct ongoing monitoring to assess their performance in preventing data breaches and security incidents. Our organisation operates under an Information Security Management System certified to the ISO/IEC 27001:2022 standard and is also certified under the government-backed Cyber Essentials scheme. In addition to this, we have external audits and assessments carried out to ensure ongoing compliance and adherence to best practice.

Notable achievements and undertakings during 2025 include:

- An ongoing programme of works to ensure adherence to the Telecommunications Security Act (TSA). This will continue throughout the implementation phases as defined in the associated Code of Practice and will conclude in March 2028.
- Submission of a formal response to the periodic Ofcom Notice under Section 135 of the Communications Act 2003.
- An external audit to assess alignment with the NIST Cyber Security Framework 2.0, finding a 137.9% year-over-year improvement due to policy and process enhancements implemented over the past year.
- Implemented an agentless Cloud-Native Application Protection Platform to ensure full visibility and accountability of any identified vulnerabilities in our in-house developed software solutions.
- Implemented a new Cloud Access Security Broker solution, for improved threat protection and auditing.

Business Ethics and Conduct

We work more productively within an environment of integrity, trust, and transparency. We take a zero-tolerance approach to corrupt behaviour and have put in place policies, training, and procedures to reduce the risks faced by our employees and our organisation to unethical conduct. We regard the potential for fraud, bribery and corruption as a potential risk to the business and have established policies and governance that set and monitor our approach to preventing financial crimes, fraud, bribery, and corruption. This includes a confidential speak up process which is managed and monitored by the Legal & Regulatory team of CityFibre.

We value transparency within our organisation and expect our suppliers and contractors to hold similar high standards. As part of our due diligence, we require our suppliers and contractors to document, and demonstrate their adherence to ethical standards through our pre-contract qualification process.

Active in the Community

Our inclusive approach to network design and construction where we are building, enables nearly every potential premise to be connected to the Full Fibre network, whether the resident is an early adopter or not. This comprehensive investment approach is about including every potential customer in the rollout, and our open access approach means that consumers have broad choices and availability of broadband services.

As part of our network construction programmes across each build area, we support public realm improvements such as footpaths and grass verges, accessibility projects such as widening paths, and sponsorship of local development projects, such as memorial gardens.

Responsible Business (continued)

We are committed to leaving a legacy in the areas that we build and work to increase access to and develop the skills that people and communities need to thrive in the digital age and have several partnerships that support us in doing so. One of our core focus areas is enhancing access to STEM learning for underrepresented groups: we know that young people from a disadvantaged background are significantly less likely to achieve and progress in STEM. To support this, we have continued our partnership with STEM to improve computing education in underserved areas focusing on those with higher than average free school meals. This work consists of Enthuse Partnerships, Computing Clusters and Key Stage 1 & 2 collateral. Our Key Stage 1 & 2 materials have been used by almost 1,000 teachers across the UK so far, reaching an estimated 85,000 primary school children. We have seen great success in our computer clusters programme, which sees funding and tailored support to improve teaching and learning in computing, with a strong emphasis on leadership, curriculum, careers education, equity, and inclusion with excellent feedback from participating schools.

In 2025, we successfully launched our CityFibre community fund, pledging over £2 million to support local digital inclusion initiatives over the next few years. In 2025, we have already funded and are working with 37 community organisations across the Project Gigabit regions (the UK Government programme to bring Gigabit-capable broadband to hard to reach areas), under both a large and a small grants programme. Overall, this is estimated to be improving the digital skills of 14,000 people, with local community organisations focusing on people most in need, as well as creating long-term capacity in charities.

One of the things we value most is encouraging people to support people, by sharing time, knowledge and expertise. This year, we launched a new volunteering policy, increasing our employee volunteering allowance from one to three days per person per year, to recognise the importance that CityFibre places on our employees giving back and leaving a lasting contribution on society enabling our people to give more of their time to help others. This year, CityFibre has also established The Chamber Digital Academy, led by Thames Valley Chamber of Commerce, and partnered with a number of Accredited Chambers of Commerce, to provide digital expertise and knowledge to businesses through a series of virtual and face-to-face events.

Local relationships are key to us; when we start work in a new location, we contact and network with the local authorities to understand the geography, businesses, and societal interactions. This includes looking at how we stimulate the demand and use of fibre across the social housing stock and support the most vulnerable in our society. Our relationship with Business in The Community (BITC) continues to support this; we work with them to develop our social value strategy as well as receiving support, insights and benchmarking to mature our social interactions, particularly on material topics such as digital literacy.

In addition, we also recognise the opportunity to deliver and develop the expected standards of Full Fibre rollout, giving the end consumer the service they deserve. During 2025 we continued our membership and actively involved ourselves with Street Works UK, the UK's only Trade Association representing utilities and their contractors on street works issues, promoting best practices and a two-way relationship with Government and other relevant stakeholders.

We also continued our membership with Independent Networks Cooperative Association's (INCA) industry working group for sustainability as well as our membership with the Digital Connectivity Forum with whom we partnered on their emissions reduction initiative, working with the technology industry to publish an external commitment to ask that suppliers improve their emissions reduction approach and strategies as well as asking them to begin the process of setting externally validated emissions reduction targets.

In addition, we are in the final stages of setting our advanced Tech Take-Back programme. Although we already recycled our tech waste, we will begin to work with the National Device Bank to ensure that our tech waste is reused where possible by charities and given a new lease of life rather than being immediately recycled.

Responsible Business (continued)

Learning, Development, and Education

Our Learning and Development team offers a wide range of learning initiatives and support. For the 2025 period, 92% (2024: 78%) of our employees completed a learning activity.

In total, 22,225 training hours (2024: 31,000) were completed across 950 instructor-led sessions (2024: 2,600) and 1,257 separate online courses (2024: 5,800).

Environmental Management

Protection and conservation of the environment is a key component to the Responsible Business strategy pillars of Our Society and Our Planet. To ensure we deliver activities compliantly and without net impact on the environment, we operate to a ISO14001 certified environmental management system. The business continues excellent performance in this area with no prosecutions or notices during 2025.

Climate Action and Energy Management

Climate change remains one of the most urgent global challenges. As a national provider of Full Fibre infrastructure, CityFibre enables the UK's transition to a low-carbon, digital economy by providing high-speed, low-latency connectivity that underpins digitisation and smart systems.

Our focus areas for climate action remain consistent:

- Decarbonising operations and the supply chain by improving energy performance across our estate, transitioning to renewable resources, and delivering our near-term sustainability targets within a long-term decarbonisation plan.
- Building climate-resilient infrastructure by strengthening the resilience of our assets and operations to climate-related risks.
- Delivering low-emission networks whose lifecycle carbon footprint supports the UK's wider decarbonisation ambitions.

Progress in 2025. We secured validation of our near-term Science-Based Targets and began implementing a detailed decarbonisation plan encompassing operations and supply chain. Key actions included an EV-first policy for future van procurement and the planned transition of the fleet to EVs from 2026, and the phase-out of temporary generators used to power Fibre Exchanges (FEXs), with the final unit scheduled for decommissioning by Q2 2026. We continued to consolidate office space, prioritise BREEAM-certified sites, enhance insulation, and install voltage optimisation at FEXs. Building Management Systems (BMS) were deployed to improve visibility and control of energy performance.

We are phasing down gas heating by prioritising offices with alternative systems and replacing gas boilers at our most gas-intensive sites by 2028. From 2026, we will explore further opportunities to reduce energy and refrigerant use in our FEXs.

Responsible supply chain.

We launched a Supplier Code of Conduct and are developing a Responsible Sourcing Policy aligned with ISO standards and UK government guidance, supported by shared KPIs. Carbon-related requirements are being embedded in key supplier contracts, with early-stage support for suppliers on their decarbonisation journeys and improved data granularity. As a signatory to ICT sector guidance from the Digital Connectivity Forum, we encourage suppliers to set minimum climate targets and engage their own value chains.

Finally, in October we published our inaugural annual Impact Report and our Carbon Reduction Plan, both available at www.cityfibre.com, providing a detailed overview of our progress and commitments in this space.

Responsible Business (continued)

Streamlined Energy Carbon Reporting (SECR).

CityFibre's climate strategy and key actions are described in the Climate Action and Energy Management section of the Responsible Business report on page 27. CityFibre's Streamlined Energy and Carbon Reporting (SECR) disclosures for the reporting year have been prepared in accordance with the regulatory requirements for "large" unquoted companies under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

2025 Emissions and Energy Performance Highlights

In 2025, CityFibre delivered measurable improvements in energy and emissions performance, including an 11% reduction in Scope 1 emissions, a 39% reduction in market-based Scope 2 emissions, and a 39% reduction in energy-per-connection intensity. These results reflect ongoing efficiency initiative and expanded use of renewable power.

GHG Emissions and Associated Energy Use (2023 – 2025)

The data covers the reporting period 1 January to 31 December 2025, with the previous two years included for comparison. CityFibre has monitored and reported its greenhouse gas (GHG) emissions since 2019. Minor variations from values published in earlier years may occur due to ongoing improvements in data quality and reporting methodology.

Reporting Year 1st January – 31st December	**2025**	**2024**	**2023**
Location	UK	UK	UK
Scope 1			
Operational activities controlled by the company, including stationary and mobile combustion (tCO_2e)	1,136	1,232	1,085
Fugitive emissions (tCO_2e)	187	249	131
Energy consumption used to calculate (kWh)	4,545,177	5,077,585	4,427,762
Scope 2			
Purchased electricity (location-based, tCO_2e)	5,336	5,899	5,718
Purchased electricity (market-based, tCO_2e)	185	303	437
Energy consumption used to calculate (kWh)	30,147,066	28,485,284	27,611,645
Scope 3			
Business travel in rental and employee-owned vehicles where the company purchases fuel (tCO_2e)	1,167	1,691	864
Energy consumption used to calculate (kWh)	3,794,792	4,795,939	3,098,265
Total tCO_2e (Location-Based)	7,826	9,071	7,799
Total kWh	38,487,035	38,358,807	35,137,672
Intensity ratios			
Total tCO_2e (Location-Based) per FTE	5.34	5.69	4.8
Total tCO_2e (Location-Based) per £'000 revenue	0.046	0.068	0.067
Total kWh gross energy consumption per km network length	739	788	892
Total kWh gross energy consumption per connection	44.84	74.05	104.1

Responsible Business (continued)

Methodology

CityFibre's SECR methodology follows the GHG Protocol and applies an operational control boundary, meaning all activities over which CityFibre has operational control are included. The 2025 reporting period incorporates emissions relating to Connect Infraco Limited, acquired in March 2025.

The report includes emissions from:

- Scope 1: Direct combustion of fuels and fugitive emissions
- Scope 2: Purchased electricity (location- and market-based)
- Scope 3: Business travel in rental cars and employee-owned vehicles where CityFibre pays for fuel

Emission factors and conversion coefficients are taken from the UK Government's Greenhouse Gas Reporting: Conversion Factors (2025/2026).

Business travel energy calculations follow this process:

1. Monetary fuel spend (k£) is converted to litres of fuel using average diesel and petrol pump prices (Quarterly Energy Prices, UK Government, June 2025).

2. A fuel split of 56% petrol / 44% diesel is applied (Energy Consumption in the UK 2025, Table C8).
3. Litres of fuel are converted to kWh using the UK Government GHG Conversion Factors (2026), applying "Average car – unknown motorisation – combustion".

Energy Efficiency Actions

- Voltage optimisation installed at 25 additional FEX sites (32 cumulative), delivering estimated savings of 304 MWh.
- Deployment of Building Management Systems (BMS) to enhance visibility and control of energy performance.
- All acquired network assets migrated to a renewable electricity tariff (100% renewable supply).
- EV-first policy adopted for future van procurement; ongoing transition targeting c. 35% electrification by 2027.
- Policy introduced to prevent activation of new sites without a DNO connection, avoiding further dependence on temporary generators.
- Phase-out of temporary generators progressed; final unit scheduled for decommissioning by Q2 2026.

On behalf of the Board.

Simon Holden
Chief Executive Officer
30 April 2026