Annual Report 2026

For the Year Ended 31 March 2026
Zegona Communications plc

zegona

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Chairman's Statement

I am pleased to present Zegona's Annual Report for the 12 months ended 31 March 2026 ("FY26").

Performance overview

Since we took ownership of Vodafone Spain[1] we have focused on executing our plan to transform the business. Key priorities include customer growth, top line stabilisation, operating cost reduction, FiberCo execution, capital structure optimisation and providing significant returns to our shareholders. FY26 has been a year in which we delivered on every one of those priorities. Although we have owned the business for only two years, we have made significant progress across many fronts and have confidence that we can continue to grow our high quality customer base and deliver industry leading margins.

A few highlights:

- **Customer growth:** We have continued to grow our customer base with six consecutive quarters of positive net adds for both broadband and contract mobile lines[2]. At the end of FY26 broadband lines reached 2,591k having grown 29k in the year (FY25: 2,563k) and contract mobile lines reached 10,185k having grown 128k in the year (FY25: 10,057k), the strongest full year growth in contract mobile net adds in the last five years. This demonstrates the success of investing in our customers, our multi-brand strategy and improved customer propositions.
- **Revenue stabilisation:** Vodafone Spain's revenue in FY26 was €3,628m (FY25: €3,629m[3]). In the first half of the year we stemmed the historical revenue decline. In the second half we returned the business to growth. The third quarter grew 1.1% year on year with 2.0% growth in the final quarter. Our continued focus on customer investment, gives us confidence that we have a solid foundation for growth in FY27.
- **Cost reduction:** We have continued our business transformation across the organisation by implementing over 700 initiatives driving operational efficiency. Vodafone Spain's EBITDAaL increased by 7% to €1,341m (FY25: €1,249m[3]), with margins[2] improving 3 percentage points to 37% (FY25: 34%[3]).
- **Increasing operational cashflow:** Vodafone Spain's operational cash flow[4] increased to €763m in FY26, 22% year on year growth (FY25: €625m[3]). Under Zegona's ownership we have grown cash flows from pre-acquisition margins of only 10% in FY24, to 17% in FY25 and now 21% in FY26[5]. To put this in context, when we acquired Vodafone Spain in 2024 the business generated around €400m of operational cash flow. So within just two years, we have almost doubled the company's cash flow.
- **FiberCo completion:** To improve the efficiency of the business's under-utilised fixed line infrastructure and to provide our customers with a 'future-proof' 100% FTTH high-speed service, we created two FiberCos and in FY26 we successfully completed the monetisation of both:

  PremiumFiber: Our FiberCo with MasOrange and GIC completed in December 2025. This brought together the fibre assets of Vodafone Spain and MasOrange to create a 100% FTTH network covering over 12 million premises across Spain. It is one of the most advanced fibre infrastructures in Europe. Upfront cash proceeds received by Vodafone Spain were €1.4b.

[1] Vodafone Spain comprises Vodafone Holdings Europe, S.L.U. and the trading entities Vodafone España, S.A.U.; Vodafone ONO, S.A.U.; Vodafone Servicios, S.L.U., VSales España S.L.U., VPlat España S.L.U., Vtor America S.A., Sercom Recargas, S.L.U. and Sercom Soluciones, S.L.U.

[2] Definitions of KPIs are provided on page 144. 'Margins' refer to EBITDAaL margin as defined on page 144.

[3] Vodafone Spain's results for 12 months to 31 March 2025 (including 2 months pre acquisition).

[4] Vodafone Spain's EBITDAaL less capex.

[5] Based on Vodafone Spain's FY24 12 months results (pre acquisition) and FY25 12 months results (including 2 months pre acquisition).

FiberPass: Our FiberCo with Telefónica and AXA completed in March 2026. FiberPass covers 3.7 million premises and provides the highest quality FTTH services for 1.4 million Vodafone Spain and Telefónica customers. Upfront proceeds received by Vodafone Spain were €0.4b.

These two landmark transactions delivered €1.8b of upfront proceeds and provide Vodafone Spain with guaranteed, future-proof access to a 100% FTTH national network covering c.16 million premises. The transactions also delivered attractive long term fibre economics, together with relevant ownership stakes and governance rights in both FiberCos.

- **Substantial shareholder returns and reduced net debt:** In FY26 we returned €1.6b to shareholders. This included a €1.4b special dividend paid in January 2026, resulting in the cancellation of 523 million Zegona ordinary shares (a 69% reduction in the share count), the full repayment of the Vodafone Group financing, and a €440m cash distribution to the remaining shareholders (£1.62/share). This cash distribution allowed us to reward our shareholders by returning their original equity investment plus interest. We also initiated a €200m share buyback programme[6]. The remaining €200m of the FiberCo proceeds was used to reduce debt. This resulted in year end net debt of €3.2b.

  With €200m of debt repaid, strong support from global credit rating agencies and a series of refinancing transactions throughout the year, we have reduced our cost of debt significantly. In 2024 following the acquisition of Vodafone Spain the annual cost of debt was c.€300m. This has been reduced to only c.€230m and we are currently on track to bring interest costs below €200m over the medium term. We finished the year with a healthy cash balance of €519m (vs €208m year end FY25) and this has helped reduce our financial leverage from 3.1x at acquisition to only 2.4x today.

  Later this year we intend to communicate a longer term capital allocation policy. This will set some guidance on our priorities for investing in the business, maintaining a strong balance sheet and utilising excess capital to reward shareholders.

We are a management team that are very focused on creating shareholder value. Since our £1.50 per share capital raise in September 2023, the Zegona share price has increased more than c.11x[7]. FY26 results show the strong operational momentum that is underpinning the improvement in the company's value and sets us up well for the next phase of Vodafone Spain's transformation. Our priority is to continue to invest in our customers to drive top line growth, whilst focusing on cost reduction initiatives to deliver industry leading cash flow margins.

We are confident that FY27 will be another year of tangible progress.

Eamonn O'Hare
Chairman and Chief Executive Officer
16 June 2026

[6] As at the date of this report 1% of Share Capital has been repurchased since the end of the FY26. On and off market repurchases in the Financial Year totalled 70% of the opening Share Capital.

[7] As at 31 March 2026.

Business and Financial Review

Group Performance

FY26 Financial Performance

The results of the Group[8] includes the first full twelve-months of activity of Vodafone Spain following its acquisition in June 2024.

FY26 was another successful year of transformation, resulting in continued customer growth, revenue stabilisation and significant increases in both EBITDAaL and operational cashflow[9]. Additionally we completed and monetised two significant FiberCo transactions and made a landmark capital return to shareholders.

In Q4 we delivered a second consecutive quarter of revenue growth reflecting the positive impact of investing in our customers with new product propositions, the refreshed Lowi brand and insourced sales and customer care platforms.

Group EBITDAaL continued to grow during FY26 driven by the execution of approximately 700 business transformation initiatives. This included rationalisation of network assets and leases, IT systems consolidation, contract renegotiations and operational optimisation. These improvements are also reflected in the increase in the operating profit for the year to €220m (FY25: €86m loss). Group Operating cash flow[10] also grew significantly in FY26. We ended the year with a €519m cash balance (FY25: €208m), a testament to the structural improvement in the business's cash generation capacity.

Although Zegona has owned the business for only two years, we have made significant progress across many fronts and have confidence that we can continue to grow our high quality customer base and deliver industry leading margins.

Key Performance Indicators

The following tables set out the operational and financial KPIs monitored by management. Definitions and management's rationale for their measurement are provided on page 144.

Operating KPIs	FY26	FY25
FBB lines (thousands)	2,591	2,563
Contract mobile lines (thousands)	10,185	10,057
Net debt consolidated to Zegona Holdco Limited (€b)	3.2	3.7

Financial KPIs €m	FY26	FY25[11]
Vodafone Spain Consolidated		
Total Revenues	3,628	3,629
EBITDAaL	1,341	1,249
EBITDAaL - Capex	763	625

[8] "Group" is defined as all 100% owned subsidiaries of Zegona Communications plc (see note 32).

[9] Definitions of KPIs and margins with their relevant measurement basis are provided on page 144.

[10] Group EBITDAaL less capex.

[11] Vodafone Spain's operations for the 12 months ended 31 March 2025. These 12 months include 2 months pre acquisition and 10 months post acquisition. Revenue for the 2 months pre acquisition was €614m and for the 10 months post acquisition was €3,015m. EBITDAaL for the 2 months pre acquisition was €204m and for the 10 months post acquisition was €1,045m. EBITDAaL less capex for the 2 months pre acquisition was €84m and for the 10 months post acquisition was €541m.

Business and Financial Review and Key Performance Indicators continued

Financial KPIs €m	**FY26**	**FY25[12]**
Zegona Communications plc Consolidated		
Total Revenues	3,628	3,015
EBITDAaL	1,325	1,033
Operating profit/(loss)	220	(86)

The table below provides a reconciliation of Zegona Communications plc Group EBITDAaL to the total loss for the Financial Year of €189.4m (FY25: loss of €438.8m).

Zegona Communications plc Consolidated

	Notes to FS	**FY26**	**FY25[12]**
Total revenue	3	3,628	3,015
EBITDAaL		1,325	1,033
Depreciation & Amortisation	4	(972)	(755)
Finance cost	5	(337)	(348)
Finance income	5	13	16
Separately reported items	4	(173)	(396)
Impairment of equity accounted investment	13	(42)	—
Share of loss of an associate and joint venture	13	(3)	—
Tax	6	—	11
Net loss		(189)	(439)

Financing

FY26 saw material improvements in Zegona's debt structure and cost of capital.

In May 2025, the Term Loan A ("TLA") and Revolving Credit Facility ("RCF") were successfully repriced, decreasing the interest cost from Euribor +4.25% to Euribor +3.00%, and from Euribor +3.75% to Euribor +2.50%, respectively.

In August 2025, we successfully completed a €725m refinancing. The Term Loan B ("TLB") was increased by a further €575m at an interest cost of Euribor +3.00%, along with a €150m fungible tap issuance of EUR Senior Secured Notes ("SSN") issued at a yield of 4.3%. This allowed for the full repayment of the €500m TLA and €215m (10%) of the existing EUR and USD SSN, that were originally issued at a yield of 6.75% and 8.625%, respectively. This refinancing also removed the amortisation of the TLA debt and removed the quarterly-tested financial maintenance leverage covenant, aligning the debt documentation to a typical "covenant lite" debt structure.

In September 2025, the interest cost on the TLB was decreased to Euribor +2.75%.

In December 2025 Moody's upgraded our credit rating from Ba3 to Ba2 and in January we completed a repricing of the €1.665b TLB, reducing the interest cost by a further 50 bps to Euribor +2.25%.

In March 2026 the Group repaid €200m of the TLB facility, and delivered year end net debt of €3.2b. The debt repayment, refinancing and repricing transactions have resulted in a material improvement in our financial leverage from 3.1x at acquisition to only 2.4x today.

These improvements in debt terms throughout the year demonstrate the confidence of credit investors in Zegona's strategy and execution. Our performance has been supported by a credit rating from S&P of 'BB/BB Positive', a Moody's upgraded rating from 'Ba3' to 'Ba2' and a Fitch rating of 'BB+/BBB-', respectively at company and instrument level.

[12] Zegona Communications plc's consolidated results for the 15 months ended 31 March 2025. These 15 months included 10 months of the post acquisition operations of Vodafone Spain. Vodafone Spain's revenue for the 10 months post acquisition was €3,015m, EBITDAaL for the 10 months post acquisition was €1,045m and EBITDAaL less capex for the 10 months post acquisition was €541m.

Substantial shareholder returns and reduced net debt

In FY26 we returned €1.6b to shareholders. This included a €1.4b special dividend paid in January 2026, resulting in the cancellation of 523 million Zegona ordinary shares (a 69% reduction in the share count), the full repayment of the Vodafone Group financing, and a €440m cash distribution to the remaining shareholders (£1.62/share). This cash distribution allowed us to reward our shareholders by returning their original equity investment plus interest. We also initiated a €200m share buyback programme[13]. The remaining €200m of the FiberCo proceeds was used to reduce debt. This resulted in year end net debt of €3.2b.

With €200m of debt repaid, strong support from global credit rating agencies and a series of refinancing transactions throughout the year, we have reduced our cost of debt significantly. In 2024 following the acquisition of Vodafone Spain the annual cost of debt was c.€300m. This has been reduced to only c.€230m and we are currently on track to bring interest costs below €200m over the medium term. We finished the year with a healthy cash balance of €519m (vs €208m year end FY25) and this has helped reduce our financial leverage from 3.1x at acquisition to only 2.4x today.

Later this year we intend to communicate a longer term capital allocation policy. This will set some guidance on our priorities for investing in the business, maintaining a strong balance sheet and utilising excess capital to reward shareholders.

Board Governance

The Board has continued its active oversight of Vodafone Spain's transformation throughout FY26. During the year the Company has strengthened its Board through the appointment of Sofia Arhall (April 2025) and Tim Pennington (March 2026). Profiles of these and the other Directors can be found on page 48. Board members regularly engage with the management team on key strategic matters. These include:

- Customer and operational metrics
- Transformation programme progress
- FiberCo transaction structuring and execution
- Debt refinancing opportunities
- Capital allocation policy and shareholder returns
- Regulatory and compliance matters

All major decisions, including the FiberCo transactions, risk management and capital return programme, were thoroughly reviewed by the Board taking into account the interests of all stakeholders in line with section 172 of the Companies Act.

Vodafone Spain Performance

FY26 Financial Performance

Customer growth

We have continued to grow our customer base with six consecutive quarters of positive net adds for both broadband and contract mobile lines[14]. At the end of FY26 broadband lines reached 2,591k having grown 29k in the year (FY25: 2,563k) and contract mobile lines reached 10,185k having grown 128k in the year (FY25: 10,057k), the strongest full year growth in contract mobile net adds in the last five years. This demonstrates the success of investing in our customers, our multi-brand strategy and improved customer propositions.

Revenue stabilisation

Vodafone Spain's revenue in FY26 was €3,628m (FY25: €3,629m[15]). In the first half of the year we stemmed the historical revenue decline. In the second half we returned the business to growth. The third quarter grew 1.1% year on year with 2.0% growth in the final quarter. Our continued focus on customer investment, gives us confidence that we have a solid foundation for growth in FY27.

FY26 performance was achieved by continuing to invest in the customer. This included new Vodafone and Lowi consumer product propositions, a new device strategy and investments in SoHo, prepay, wholesale and our large enterprise division.

[13] As at the date of this report 1% of Share Capital has been repurchased since the end of the FY26. On and off market repurchases in the Financial Year totalled 70% of the opening Share Capital.

[14] Definitions of KPIs are provided on page 144. 'Margins' refer to EBITDAaL margin as defined on page 144.

[15] Vodafone Spain's results for 12 months to 31 March 2025 (including 2 months pre acquisition).

Together these initiatives have improved the service and value across our total customers base. As a result we have seen more customers choosing Vodafone Spain and a return to growth in the second half of the year.

Cost reduction
We have continued our business transformation across the organisation by implementing over 700 initiatives driving operational efficiency. Vodafone Spain's EBITDAaL increased by 7% to €1,341m (FY25: €1,249m[16]), with margins[17] improving 3 percentage points to 37% (FY25: 34%[16]).

The implementation of these 700 initiatives (building on over 400 already implemented in FY25) has driven sustained improvements in margins and profitability. We have continued the rationalisation of network assets and leases, implemented more efficient business processes, consolidated IT systems, continued across-the-board contract renegotiations and enhanced organisational capability.

EBITDAaL margins have improved approximately 3 percentage points per year since our acquisition of Vodafone Spain, demonstrating the scale and effectiveness of the transformation programme. Looking ahead, we still see significant potential to continue this cost reduction journey, with a particular focus on third party costs and the costs of operating our fixed and mobile networks.

Increasing operational cashflow
Vodafone Spain's operational cash flow[18] increased to €763m in FY26 22%, year on year growth (FY25: €625m[16]). Under Zegona's ownership we have grown cash flows from pre-acquisition margins of only 10% in FY24, to 17% in FY25 and now 21% in FY26[19]. To put this in context, when we acquired Vodafone Spain in 2024 the business generated around €400m of operational cash flow. So within just two years, we have almost doubled the company's cash flow.

FiberCos completion
To improve the efficiency of the business's under-utilised fixed line infrastructure and to provide our customers with a 'future-proof' 100% FTTH high-speed service, we created two FiberCos and in FY26 we successfully completed the monetisation of both:

PremiumFiber: Our FiberCo with MasOrange and GIC completed in December 2025. This brought together the fibre assets of Vodafone Spain and MasOrange to create a 100% FTTH network covering over 12 million premises across Spain. It is one of the most advanced fibre infrastructures in Europe. Upfront cash proceeds received by Vodafone Spain were €1.4b.

FiberPass: Our FiberCo with Telefónica and AXA completed in March 2026. FiberPass covers 3.7 million premises and provides the highest quality FTTH services for 1.4 million Vodafone Spain and Telefónica customers. Upfront proceeds received by Vodafone Spain were €0.4b.

Together, these two landmark transactions delivered €1.8b of upfront proceeds and provide Vodafone Spain with guaranteed, future-proof access to a 100% FTTH national network covering c.16 million premises. In addition Vodafone Spain enjoys attractive economic terms, relevant ownership stakes and governance rights in both FiberCos.

Refer to notes 13 and 16 for further detail of the movement in related balances.

Outlook

We have delivered exceptional progress in transforming Vodafone Spain. Our business now operates from a position of strength with:

- A growing, high-quality customer base
- Strong and improving cash generation
- Future-proof network infrastructure
- Streamlined capital structure

[16] Vodafone Spain's results for 12 months to 31 March 2025 (including 2 months pre acquisition).

[17] Definitions of KPIs and margins with their relevant measurement basis are provided on page 144.

[18] Vodafone Spain's EBITDAaL less capex.

[19] Based on Vodafone Spain's FY24 12 months results (pre acquisition) and FY25 12 months results (including 2 months pre acquisition).

Strategy and Business Model

We present below the strategy and business model for Zegona and Vodafone Spain.

Zegona

Vision

- Execute our strategy in the European TMT sector
- Focus on businesses that require active change and fundamental improvement to realise their full value
- Target significant long-term growth in shareholder value

Opportunity

Changing market dynamics in the TMT industry create multiple investment opportunities:

- **Demand for data and speed:** Data consumption is growing strongly with customers willing to pay for speed and reliability. Gigabit broadband is now a customer requirement but network rollouts and upgrades need to be efficient.
- **Digital convergence**: The fixed/mobile divide is increasingly disappearing for users, meaning significant growth in more valuable triple and quad-play[20] customers who are combining mobile and fixed services. This has driven improvements in economics for converged players since mobile data delivery is heavily dependent on high-capacity fixed networks, and customers taking multiple products tend to be more loyal.
- **Industry consolidation:** The sector has seen M&A activity focused on improving fundamental economics through bringing businesses together and realising the delivery of next generation networks. Industry players are increasingly focusing on their core regions, delivering cost reductions and price repair to rebuild margins. Consolidation has also created opportunity as businesses are spun out by the major industry players to meet regulatory requirements and strategic objectives, creating opportunity for Zegona.
- **Broad range of attractive assets:** Our flexibility in terms of size, geography and category opens a broad universe of attractive target assets across the TMT market. We have identified many businesses of an appropriate scale, including operators that are active in one or more of the mobile, fixed fibre network, Business to Business ("B2B") and network infrastructure sectors. The acquisition of Vodafone Spain reflects this openness to identifying opportunities, with a detailed plan already in place to substantially improve the operations, customer service and financial returns from the business.

Advantage

A number of factors make Zegona well positioned to access attractive deals and deliver value:

- **Strong, aligned management team:** Our management team has a proven track record of delivering strong business performance and investor returns. During 2017, it successfully sold Telecable and was then instrumental in returning Euskaltel to growth. This enabled us to initiate consolidation discussions with MasMovil that lead to it acquiring Euskaltel in July 2021. In 2023, we were able to gain the trust and support necessary from Vodafone and the financial markets to negotiate and arrange funding for the acquisition of Vodafone Spain. The team has extensive real-world experience in

[20] Quad play: customers with four services (pay TV, fixed voice, broadband and mobile)

senior operational roles in large public telecommunications companies, and its interests are also strongly aligned with shareholders through a long-term incentive scheme that links remuneration directly to growth in shareholder value.

- **Entrepreneurial focus:** We have considerable freedom in the projects we pursue and the ways we create value. Zegona has a long-term perspective and, as a public company, its shareholders can readily realise value at any stage through the improvement and transformation journey of the businesses we own. This makes Zegona fundamentally different from private equity businesses, most of whom work within a short to medium-term timeframe. This also permits a focus on fundamental business improvements that are value-accretive rather than relying on high leverage and valuation multiple expansion. We are also able to act quickly on acquisition opportunities while maintaining financial discipline. This is especially attractive to potential sellers and a key differentiator.
- **Major global investors:** Zegona benefits from having a number of global public equity asset managers with a long-term outlook as shareholders. We have an effective investor relations programme that maintains regular contact with our major current and potential shareholders.

Strategy Execution

We seek to provide shareholders with an attractive total return, primarily through appreciation in the value of Zegona's assets. Our strategy focuses on making investments in strategically sound businesses within the European TMT sector that require active change to realise their full value, thereby creating significant long-term returns through fundamental business improvements. As summarised in the Chairman's statement, we have made good progress with the transformation plan for Vodafone Spain.

The main elements of Zegona's strategy, for the improvement of value in Vodafone Spain, are set out below:

- utilising the management team's significant and relevant experience in the Spanish telecommunications market to put in place a fit for purpose management team and organisation, and change the working culture of Vodafone Spain;
- implement business transformation initiatives across the Vodafone Spain organisation in order to deliver growth, cost efficiencies and to drive value; and
- proactively engaging with an international debt and equity investor base, ensuring optimisation of financing opportunities.

Vodafone Spain

Opportunity

Vodafone Spain is one of the leading telecoms networks in Spain. Zegona believes the future of the business lies in:

- continuing operational excellence through business transformation and cost efficiency
- leveraging our future-proof 100% FTTH network for superior customer propositions
- maximising returns from our optimised cost base, leading 5G mobile network and capital structure

Advantage

Vodafone Spain's competitive position is built on:

- **Leading infrastructure:** Through PremiumFiber and FiberPass and long-term wholesale agreements, we have guaranteed access to a nationwide, all-fibre network covering 100% of our addressable market. This provides superior customer experience whilst optimising capital intensity.
- **Strong spectrum holdings:** Our high-quality nationwide mobile network is supported by excellent spectrum assets and an efficient active network-sharing arrangement with MasOrange.
- **Multi-brand strategy:** Our Vodafone and Lowi brands enable us to compete effectively across the value spectrum, optimising customer acquisition costs and addressing diverse market segments.
- **Scale and convergence:** As one of Spain's largest converged operators, we benefit from economies of scale, infrastructure leverage, and the loyalty benefits of bundled offerings.

Strategy Execution

We continue to execute against our FY26 priorities:

- **Customer growth:** Our investment in customer experience, new propositions, refreshed Lowi branding, and insourced platforms continues to drive net additions across both fixed and mobile.
- **Margin expansion:** Our c. 700 transformation initiatives are delivering sustained margin improvement through network rationalisation, efficient business processes, IT consolidation, and contract optimisation.
- **Cash flow excellence:** Strong focus on working capital, capex efficiency, and operating leverage is driving cash conversion and flow-through.
- **Network transformation:** The completion of both FiberCo transactions delivers our future-proof network strategy whilst unlocking substantial capital for shareholder returns.

Principal Risks And Uncertainties

Risk management

Risks continue to evolve in line with the dynamic nature of the telecommunications sector, and the Group regularly strengthens its risk-management processes to ensure the organisation has the appropriate support to meet its strategic objectives. In January 2026, the Group obtained certification under the ISO 31000:2018 Risk Management standard, reinforcing the robustness and maturity of its framework, which clearly defines roles and responsibilities and sets out a consistent, end-to-end process for identifying and managing risks.

Oversight of principal and emerging risks is carried out by the Audit & Risk Committee ("A&RC"), supported by regular reporting to management and the Board, while risk owners provide in-depth reviews to ensure ongoing monitoring and the effective implementation of mitigation actions within established risk appetite parameters. To further strengthen governance, a dedicated Executive Risk Committee composed of the executive members of Vodafone Spain and Zegona, was established in October 2025 to enhance cross-functional input, review and approval of enterprise-level risks across the Group.

Principal and emerging risks

In response to our significantly different circumstances post-acquisition, our Board and A&RC have revised the principal and emerging risks facing the Group, including those that may impact on our business model, future performance, solvency or liquidity.

Risk	Change since last Annual Report	
Cyber threat & information security	No Change	=
Ability to create value in acquired businesses	No Change	=
Transformation of investment operations	Decreased	↓
Privacy legal & compliance	No Change	=
Aggressive competition	No Change	=
Regulatory: high-risk vendors ("HRV")	No Change	=
Financing	Decreased	↓
Reliance on key management	Decreased	↓
Network failure (former Network evolution)	No Change	=
IT failure	No Change	=

Description, impact, emerging factors and mitigation

Cyber threat and information security

Description

The Group is exposed to cyber risks originating from external attacks, insider threats, system vulnerabilities, supplier environments and deficiencies in security controls. These risks include unauthorised access to systems, data exfiltration, manipulation of critical information, disruption of essential services and exposure of confidential customer, employee and government-related data. The complexity of the organisation's technology landscape, which includes legacy platforms, shadow IT, multi-vendor environments and evolving cloud architectures, increases the potential for undetected weaknesses. Non-compliance with internal cybersecurity frameworks and assurance expectations may further elevate exposure and amplify operational, legal and regulatory consequences.

Impact
A material cyber incident exploiting existing vulnerabilities could severely disrupt service availability, undermine the integrity and confidentiality of critical information, and affect the continuity of essential operations. Such an event could result in customer impact, financial losses, regulatory sanctions and reputational damage. In highly sensitive services delivered to government entities, inadequate security controls could lead to significant legal, operational and societal consequences. Furthermore, insufficient protection of privileged accounts, incomplete security coverage across endpoints and networks, or weaknesses in supplier environments may enable attackers to move laterally, escalate access or compromise critical systems, thereby increasing the scope and cost of recovery.

Emerging factors
Cyber risk continues to evolve due to increasing technological complexity, accelerated digital transformation, greater reliance on cloud-based services and stricter regulatory and assurance expectations. As the organisation modernises its technology estate, the integration of cloud environments, legacy platforms and diverse supplier ecosystems introduces additional uncertainty and increases the need for mature security governance. The coexistence of historical systems with newer architectures, together with the expansion of external dependencies, contributes to a dynamic and continuously shifting risk landscape that requires proactive oversight and ongoing adaptation.

Mitigation activities
Vodafone Spain continues to strengthen its cybersecurity position through enhanced governance frameworks and a multi-year programme focused on reducing the most material risks. Mitigation efforts prioritise the reinforcement of core security capabilities across infrastructure, applications and data, supported by improvements in threat detection, identity and access management, and resilience planning. The Group is also advancing the modernisation of its technology environment, including the simplification of legacy systems, the enhancement of supplier risk management practices and the progressive adoption of secure-by-design principles in products and services. In parallel, Vodafone Spain is developing its cloud security capabilities and expanding specialist support to ensure secure cloud adoption and effective incident response. Collectively, these initiatives aim to strengthen operational resilience, improve control effectiveness and ensure continuous alignment with evolving regulatory, technological and assurance requirements.

Ability to create value in acquired businesses

Description
The Group's ability to create value depends on the timely and effective implementation of strategic, operational and financial transformation programmes designed to improve the performance of Vodafone Spain following its acquisition by Zegona. The business model relies on acquiring underperforming telecommunications assets, implementing targeted operational improvements such as cost optimisation, network modernisation, digitalisation, and strategic partnerships and ultimately realising value through long-term performance enhancement and potential future divestment. There is a risk that these programmes may not be implemented effectively or at the required pace, which could limit the value creation expected from the acquisition.

Impact
Delays or underperformance in executing the planned improvements could lead to missed KPIs, reduced financial performance and lower shareholder returns. Ineffective delivery could also weaken investor confidence and delay strategic initiatives that support long-term value, such as infrastructure transactions or commercial restructuring.

Emerging factors
Emerging factors that may influence this risk include ongoing regulatory uncertainty in the telecommunications sector, particularly in relation to jurisdictional reviews and governmental approval processes that could delay or constrain infrastructure transactions. The scale and complexity of simultaneous transformation programmes increase execution demands and may challenge organisational capacity. Market dynamics such as competitive pressure, pricing trends and changes in customer behaviour may require adjustments to strategic priorities. Macroeconomic conditions, including inflationary impacts on operating and capital costs, could affect budget discipline and available investment. In addition, reliance on key talent and effective succession planning remains critical, given the need for experienced leadership to drive complex transformation activities.

Mitigation
The Group maintains a strong governance and control environment to ensure disciplined execution of the transformation strategy, supported by a comprehensive risk management framework, clear policies and structured succession planning. Performance is closely monitored against defined risk tolerances, with regular oversight by the Board and its committees. Key transformation initiatives including replacement of Transitional Services Agreements ("TSAs"), cultural transformation and ongoing regulatory processes, are advancing as planned. Robust KPI monitoring enables early identification of emerging issues across operational, financial and strategic areas, while continuous engagement with regulatory authorities helps anticipate and manage potential delays. Together, these measures support effective delivery of the transformation roadmap and ensure that risks are promptly identified and addressed.

Transformation of investment operations

Description

The transformation of Vodafone Spain from a subsidiary of a multinational telecommunications operator to a standalone operator. Failure to effectively and successfully transform Vodafone Spain could result in inappropriate business processes and systems, increased operational complexity and hindered growth.

Impact

These changes could result in decreased efficiency and/or lower employee engagement. Multiple transformation projects, and projects with significant complexity, could result in risky and/ or poor quality implementations.

Emerging factors

The scale and increasing volume of change may put additional strain on the Group's employees, causing fatigue or disengagement and impacting workplace culture. This could result in a failure to deliver the transformation with the required focus and operational excellence needed for success.

Mitigation

Migrating Vodafone Spain from the wider Vodafone Group's systems, processes and support network was a key focus area during the Financial Year. We have put in place a large number of Transitional Services Agreements ("TSAs") that range in duration from six months to 10 years, to manage and mitigate risks associated with the migration.

There is a detailed internal programme for these transformation initiatives as well as governance structures, sponsored by the senior management, to align potential changes and timings. In addition, leadership programmes have been created and continuously reviewed to deliver the cultural shift needed for successful delivery of the migration and transformation.

Significant projects are already underway to replace specific TSA areas of support with best-in-class, independent solutions.

Privacy legal and compliance

Description

The Group faces the risk of non-compliance with privacy and data-protection obligations, which may arise from deficiencies in internal processes, supplier practices or commercial activities involving personal data. Failure to meet regulatory requirements exposes the organisation to potential sanctions, scrutiny from supervisory authorities and reputational harm. This risk requires strong accountability across all business areas to ensure that privacy controls are consistently applied and embedded within operational processes.

Impact

Non-compliance with data-protection obligations may lead to substantial financial penalties, heightened regulatory intervention and significant effort to address resulting issues. These situations can also undermine customer confidence and damage the company's reputation, potentially diverting resources away from strategic objectives and affecting long-term value creation.

Emerging factors

The regulatory landscape is becoming increasingly demanding, with greater scrutiny from supervisory authorities and rising expectations regarding demonstrable accountability. Although certain regulatory interactions have decreased, this has been offset by the growth of complaints handled through sector mechanisms. New legal requirements, including those introduced under the EU Artificial Intelligence Act, add further compliance complexity. Organisational changes and continued reliance on third-party providers also elevate the importance of strong privacy governance and effective oversight across the data-processing ecosystem.

Mitigation activities

The Group continues to strengthen its privacy-compliance framework through enhanced governance, process improvements and regular engagement with operational teams. Ongoing actions include aiming to reduce the volume of regulatory requests and sanctions, improving controls over commercial communications, enhancing identity-verification processes to prevent fraud, and reinforcing privacy-by-design requirements in projects and supplier relationships. Structured oversight through committees and workstreams ensures continuous monitoring of compliance levels, while dedicated initiatives support the implementation of the EU Artificial Intelligence Act. These efforts collectively aim to reduce exposure to regulatory penalties, ensure consistent application of privacy controls and maintain the organisation's commitment to responsible data management.

Aggressive competition

Description

The Group operates in an increasingly competitive telecommunications market marked by intense price-based rivalry across low-end, mid-tier and high-end segments. Competition is driven by the expansion of low-cost operators, the use of targeted promotions by established players, and the entry of new regional providers. This environment places continuous pressure on pricing, customer acquisition and retention, and the commercial positioning of all product lines.

Impact

Sustained aggressive competition may erode margins, reduce market share and negatively affect revenue growth. Price pressure across consumer and small-business segments increases the risk of customer churn and raises the cost of defending the existing customer base. In the enterprise market, aggressive private offers from competitors may force tactical responses that could impact profitability. Failure to maintain a differentiated value proposition in this environment could weaken the Group's commercial performance and its ability to deliver planned financial results.

Emerging factors

Market consolidation, the rapid expansion of ultra-low-cost players, and the growing sophistication of competitors' commercial strategies continue to reshape the competitive landscape. The deployment of new fibre infrastructure by challengers, along with the widespread adoption of high-speed connectivity, 5G and enriched service bundles, is intensifying pricing and value pressures. Customer expectations are increasing as bundled services, streaming content and value-added solutions become standard offerings in the market. These dynamics further accelerate competition across all segments and require ongoing commercial agility.

Mitigation activities

Vodafone Spain is reinforcing its competitive position through a streamlined commercial and portfolio strategy focused on delivering simplicity, clarity and value to customers. Efforts are centred on maintaining a balanced approach to pricing, strengthening the overall customer proposition across segments, and ensuring commercial decisions remain aligned with financial discipline. Ongoing monitoring of market conditions and competitor behaviours allows the organisation to adapt its commercial posture proactively, safeguard revenue performance and preserve margin resilience in an increasingly dynamic and competitive environment.

Regulatory: High Risk Vendors

Description

Vodafone Spain is subject to regulatory obligations governing the use of high-risk vendors in 5G networks under national cybersecurity legislation. These rules impose requirements on the deployment and potential replacement of certain suppliers, as well as obligations related to network oversight and infrastructure authorisations. Compliance with these regulations is essential to ensure operational continuity and alignment with national security expectations.

Impact

Failure to meet these regulatory obligations could lead to operational disruption, financial costs associated with mandatory vendor replacement and increased scrutiny from authorities. Changes imposed by the regulator could also affect investment plans, timelines for network deployment and Vodafone Spain's competitive position. In more severe scenarios, sudden regulatory shifts could force significant infrastructure modifications with material financial and operational consequences.

Emerging factors

The regulatory landscape remains dynamic, influenced by national policy decisions, European guidance and broader geopolitical developments. Although there is currently no indication of imminent restrictions, external political or international pressures could alter the regulatory stance unexpectedly. Evolving requirements such as new authorisation processes and potential diversity-of-vendors measures, introduce additional uncertainty and may affect long-term network planning and supplier strategy.

Mitigation activities

The Group maintains active engagement with relevant authorities to ensure clarity on evolving requirements and to seek alignment on long-term transition expectations. Continuous dialogue helps inform planning scenarios and allows the organisation to anticipate potential regulatory shifts. The Group also evaluates strategic options to reduce dependency on any single supplier and ensure readiness for future regulatory changes, supporting compliance while mitigating financial and operational impacts.

Financing

Description

The Group may be exposed to challenges in meeting future financing needs if conditions in the capital markets become less favourable. This exposure reflects the characteristics of its current debt portfolio, which comprises various instruments with differing maturities and interest-rate profiles, including both fixed- and floating-rate components as well as an undrawn revolving credit facility.

Impact

Adverse movements in macroeconomic conditions or interest-rate environments could increase the cost of servicing or refinancing debt, potentially affecting cash flow, profitability and financial flexibility. Restricted access to capital markets, whether due to market volatility or changes in investor sentiment, could delay refinancing activities or force the Group to refinance on less favourable terms. In extreme cases, an inability to refinance could compromise the Group's ability to meet its financial commitments and execute its strategic plans.

Emerging factors

While interest rates have decreased slightly and the USD:EUR exchange rate has varied throughout the Financial Year, broader improvements in the debt markets could enable financing on improved terms in the future.

Mitigation activities

The Group proactively manages its financing strategy by monitoring market conditions, maintaining regular dialogue with lenders, advisers and credit-rating agencies, and evaluating opportunities to strengthen its credit position. It has taken steps to hedge currency exposure, diversify interest-rate structures and optimise the timing of future refinancing. Continuous assessment of the debt portfolio and engagement with financial stakeholders support preparedness for market shifts and help ensure that refinancing can be executed under favourable conditions whenever possible.

Reliance on key management

Description

Zegona operates with a lean management structure, which increases dependence on a small number of key individuals whose expertise and institutional knowledge are critical to the execution of its strategic and financial plans. The loss or unavailability of any such individuals could significantly impair operational continuity and hinder the organisation's ability to deliver on its value-creation objectives.

Impact

A departure or prolonged absence within key managerial roles could disrupt business operations, delay decision-making and impede the progress of strategic initiatives. Given the concentration of responsibilities and the depth of knowledge held by a limited number of individuals, such an event could negatively affect organisational performance, reduce operational effectiveness and ultimately impact financial results. This reliance also increases vulnerability to single points of failure, particularly in areas where succession or knowledge-transfer mechanisms are still developing.

Emerging factors

As Zegona expands its portfolio of value-creation projects and continues to refine its operating model, the demands placed on senior leaders are increasing. The organisation's evolving structure, together with the need for specialised expertise in ongoing transformation activities, elevates the importance of maintaining management stability. Growth in strategic initiatives and rising execution complexity heighten exposure to talent-availability risks and underscore the need for robust succession planning and organisational resilience.

Mitigation activities

Zegona is actively strengthening its leadership resilience by expanding its management team, implementing structured succession planning and enhancing retention mechanisms. Additional hires have been made to distribute workload, reduce operational dependency on single individuals and ensure continuity of critical knowledge. Compensation and retention frameworks are regularly reviewed to support the long-term commitment of key personnel, and governance committees maintain oversight of succession planning and leadership development. The Group also maintains appropriate insurance coverage to mitigate residual exposure. Collectively, these actions aim to ensure management continuity, support sustainable execution of strategic plans and minimise operational disruption.

Network failure

Description

The Group is exposed to the risk of network service disruption arising from natural disasters, deliberate attacks or significant technology failures affecting either internal infrastructure or external technology providers. Such events may lead to the temporary unavailability of critical mobile or fixed network services. This risk is closely linked to broader technology-resilience considerations, including cybersecurity, lifecycle management and operational efficiency.

Impact

A major network outage could impede service delivery for customers, affect essential communications, and lead to financial and reputational consequences. Prolonged disruption may also require significant operational effort to restore normal service levels. While the mobile network demonstrates strong resilience, the fixed network continues to make solid progress, with only a small number of core sites pending planned upgrades that will further enhance recoverability and ensure full alignment with targeted service levels.

Emerging factors

Network-resilience expectations are increasing as digital dependency grows and as external risks such as extreme weather events, cyber threats and geopolitical tensions evolve. The transition to updated resilience policies and ongoing modernisation of network architecture require sustained investment and operational readiness. As reliance on cloud-based and distributed infrastructures expands, the need for strong coordination across suppliers and internal teams becomes even more critical to maintaining service continuity.

Mitigation activities

The Group has established a resilience framework supported by periodic disaster-recovery testing, "always-on" design principles and continuous assessment of network readiness. Mobile and fixed networks are monitored against defined service-level targets, with further improvements planned for the remaining fixed-core sites requiring enhanced redundancy. Workforce stability and structured assurance activities—including internal assessments and external certifications—support ongoing preparedness. Continued investment in resilience architecture and engagement across operational teams aim to ensure the network can withstand and recover from major incidents within expected timeframes.

IT failure

Description

The Group is exposed to the risk of prolonged unavailability of critical IT applications due to major incidents, whether caused by technology failures, data-centre outages or other disruptive events. Such scenarios may affect essential systems supporting customer interactions, billing, digital services and internal operations. The risk is influenced by factors including legacy infrastructure, resilience gaps and workforce-related challenges.

Impact

A significant disruption affecting core IT platforms could impair customer experience, interrupt key operational processes and lead to revenue loss or reputational impact. Extended service unavailability may also require substantial remediation efforts and divert resources from ongoing transformation activities. Although resilience capabilities exist, delays in modernisation or replacement of ageing infrastructure could increase the duration or complexity of recovery efforts.

Emerging factors

The IT landscape continues to evolve as the organisation advances its digitalisation efforts and adopts more cloud-based capabilities, creating opportunities to enhance agility and service performance. Expectations for continuous availability are increasing, reinforcing the importance of strengthening resilience across systems. While the modernisation of certain legacy assets is progressing gradually, ongoing transformation initiatives are designed to reduce long-term reliance on older technologies. At the same time, the Group continues to nurture specialised talent and promote knowledge transfer to support future growth. As IT architectures become more diverse, these developments present an opportunity to build a more scalable, robust and future-ready technology environment.

Mitigation activities

The Group is strengthening IT resilience through a multi-year programme focused on modernising infrastructure, reducing obsolescence and simplifying the application landscape. Disaster-recovery capabilities are regularly exercised to validate readiness and recovery timeframes for critical systems. Resilience requirements guide new solution designs, and ongoing efforts aim to consolidate platforms and transition workloads toward more scalable architectures. Workforce continuity is supported through structured knowledge-transfer activities, while governance forums oversee progress and ensure alignment with resilience objectives. Collectively, these measures aim to improve operational robustness and ensure that critical IT services can be restored within predefined timeframes.

Key changes to our principal risks

The Group has strengthened its risk-management framework to align with ISO 31000:2018, building on the certification already obtained by Zegona Communications plc and Vodafone Spain S.L.U., issued by AENOR. As part of this evolution, the risk-rating methodology has been modernised, moving from a 4×4 to a 5×5 matrix to provide greater analytical precision when assessing likelihood and impact. Metrics have been recalibrated to reflect the organisation's operating environment more accurately, resulting in a more nuanced and differentiated evaluation of risks.

This refinement means that direct comparisons with prior-period heatmaps are no longer linear, and some risks may appear repositioned due solely to improved scoring logic rather than changes in underlying exposure.

A review of the principal risks disclosed in the FY26 Annual Report confirms a reduced risk profile in several areas, including business transformation and financing and reliance on key management, supported by progress in strategic initiatives such as refinancing activity, organisational expansion and portfolio execution. Improvements in operational and financial domains have contributed to strengthened resilience, although certain strategic risks, such as those linked to ongoing transformation and the broader external environment, continue to require close monitoring.

At the same time, risk levels in other areas remain broadly unchanged where exposure is driven by evolving external factors, such as cybersecurity developments and the implementation of new regulatory measures relating to high-risk technology vendors. A group-wide review of top operational risks is in progress across all business units, and the Group has now deployed its GRC platform to enhance governance, reporting and risk ownership. The updated framework reinforces a more consistent, transparent and mature approach to enterprise-wide risk management, building on the ISO 31000:2018 certification already obtained by the organisation.

Watchlist risks

As part of the Group's enhanced risk-management framework, certain emerging or evolving risks are monitored on a watchlist to ensure early visibility, proactive oversight and timely escalation. These watchlist risks typically relate to areas where regulatory expectations are increasing, operational processes are expanding in complexity, or the business footprint is undergoing significant change such as ESG reporting requirements and process-governance enhancements linked to the integration of Vodafone Spain:

- ESG: The Group continues to strengthen its environmental, social and governance capabilities by preparing for the new European sustainability-reporting directive, reinforcing its governance structures and policies, and maintaining externally verified certifications and disclosures that meet the expectations of investors and other key stakeholders; and

- Process improvements: The organisation is enhancing its governance, reporting and compliance processes as it scales, implementing updated frameworks, tax and regulatory alignment and modernised financial systems to support greater transparency, operational robustness and effective oversight across the expanded group.

Emerging risks

Emerging risks are typically identified through forward-looking assessments that combine horizon-scanning, regulatory monitoring, external trend analysis and structured engagement with business units to capture early signals of potential future threats. Once identified, these risks are categorised at Group level into five or six standard dimensions of financial, operational, legal and regulatory, customer, employee and brand/reputational, ensure consistent evaluation, prioritisation and reporting across the organisation.

In some cases, there may be insufficient information to fully analyse and understand the likelihood, impact or velocity of a risk. As a result, we may not develop a complete mitigation plan until we have a better understanding of the threat. We provide emerging risks, within predefined risk categories, to the management and the A&RC for further scrutiny.

Risks continued

The Group continues to monitor a range of emerging risks that may shape its operational and strategic environment, including but not limited to the following:

- Third-party risk remains an area of attention as the organisation relies on a broad ecosystem of suppliers, technology partners and outsourced service providers. As external dependencies expand, potential vulnerabilities may arise from compliance shortcomings, operational disruptions or reputational issues originating outside the Group's direct control. Ensuring adequate oversight and resilience across the value chain will remain essential as regulatory expectations and stakeholder scrutiny continue to grow.

- Risks associated with new business integrations are also emerging as the Group assumes operational control of recently acquired or partnered entities. Integrating systems, processes and governance frameworks introduces transitional complexity and may temporarily elevate operational, compliance or financial exposure. Harmonising standards, embedding the Group's policies and achieving expected efficiencies are critical to ensuring smooth integration and protecting long-term value.

- Geopolitical risk is becoming increasingly relevant due to rising global tensions and shifting international trade dynamics. While the Group has no direct exposure to geopolitical hotspots, broader macroeconomic and regulatory consequences, such as changes in trade policy, supply-chain constraints, sanctions regimes or shifts in critical-infrastructure requirements, may indirectly influence costs, equipment availability and the operating environment. Monitoring these developments supports forward-looking planning and helps safeguard business continuity.

Other regulatory compliance requirements

Our business is subject to new and changing regulatory and compliance requirements (for example preparation for Provision 29). The Chief of Staff, Group Chief Financial Officer and Vodafone Spain's Chief Financial Officer closely monitor changes to the compliance environment to identify potential impacts on the Group. This includes regular engagement with our professional advisers and our external auditors.

Where changes impact the Group, such as the Corporate Sustainability Reporting Directive (CSRD), we identify relevant stakeholders to engage with to understand requirements and obligations and take professional advice as appropriate. For CSRD, an update was provided to the A&RC members in November 2025, and we have set up an ESG sub-committee at the local level that will report to management and by extension to the Board.

The primary method by which we monitor and manage risks is through the weekly Zegona senior management meetings, where business performance, competitive outlook, governance, stewardship, public company and investor matters are planned and discussed and at the quarterly Executive Risk Committee which was established in October 2025 to enhance cross-functional input, review and approval of enterprise-level risks across the Group. Risk is also a standing agenda item for the A&RC which has met six times in the Financial Year and any significant emerging risks or change in status to existing risks will be discussed and actions taken as appropriate.

Viability Statement

Longer-term viability statement

The context for the assessment

The Group's business model and strategy are key to an understanding of its prospects, and details can be found in the Strategy and Business Model section on page 9. Our current overall strategy, in place since the acquisition, is subject to the ongoing monitoring and developments described below.

The Board's focus is on developing the Vodafone Spain business. The Board has ensured that the Group's business plan and risk profile is carefully monitored through weekly Zegona senior management meetings, which reviews trading results, and quarterly A&RC meetings, which reviews evolution of risks. Relevant findings are escalated to the Board.

The assessment period

We believe that three years is the appropriate period over which Zegona should assess its viability as:

- three years is the period over which the Group looks at as part of its risk management processes (given that this period reflects that in which risks tend to emerge and develop);
- three years is the Group's timeframe for long-term business planning: and
- this time horizon aligns with long term management incentive programmes.

The assessment process and key assumptions

The Group and Company's viability process used the available net cash position as of 31 March 2026 as our starting position, and considered plans and projections that had been produced as part of the wider forecasting cycle. This was based on a bottom-up projection driven by operational performance expectations, capital expenditure and other key financial metrics.

Our Board fully participates in this annual process. Part of the Board's role is to consider whether the Business Plan continues to take appropriate account of the external environment including macroeconomic, political, social and technological changes.

In performing this assessment, the management team considered a "Base Case" scenario which reflects the current view of realistic but conservative expectations for the Group's operations, results and developments in working capital, liquidity and debt. This Base Case reflects expected positive developments in relation to assumptions on customer numbers and revenues in FY27, which then drives continued expected customer net additions and improvements in average revenue per customer in the outer years. Continued management of direct costs, customer acquisition and retention costs per customer, together with continuation of current rates of operating and capital expenditure, EBITDAaL measures and net debt assumptions then drive the cost base evolution. Management's latest view for expected changes in financing has been reflected in the expected financing costs in the modelled period.

In addition, a severe but plausible downside scenario has also been modelled, effectively "stress testing" the Base Case assumptions. This assessment considered negative potential factors such as adverse developments in revenue, costs, liquidity, debt and capital assumptions, together with reasonable contingencies (the 'Reasonable Worst Case'). This included a decline in numbers of customer additions versus Budget, worse than budgeted revenue per customer and an increase in churn rates resulting from downside case evolutions in competition within the Spanish telecommunications sector. Furthermore, this scenario assumes minimal savings in operating and capital expenditure, with a resulting decrease in EBITDAaL, together with an increase in interest rates by 100 basis points. As part of the 'Going Concern' testing a 'Reverse Stress' test was also undertaken, to ensure that the implications of this were fully understood. The 'Reverse Stress' test uses the covenant ratio to

understand the drop in commercial activity required to result in the EBITDAaL ratio creating a breach of covenant, which shows a requirement that the Board considers implausible.

The Board believes that our approach fairly represents the Group's future prospects while also properly considering the principal and emerging risks (see Risks, from page 12). In accordance with provisions of the 2024 UK Corporate Governance Code (the "Code"), the Directors have ensured that market competitiveness, transformation of investment operations, ability to create value in the acquired business and adverse movements in debt and liquidity scenarios are specifically included to ensure that the principal risks are robustly assessed. Given that the Company is a non-operating entity, the Directors have received appropriate support from within the Group, including a letter of support, to ensure future funding.

Viability statement

Based on this assessment of prospects and viability and in accordance with the 2024 Revision of the Code, the Directors have assessed the prospects over a longer period than the 12 months required by the "going concern" provision. The Directors confirm they have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 March 2029.

Going concern

The Directors also considered it appropriate to prepare the financial statements on the "going concern" basis, as explained in note 2.b to the accounts.

The Strategic Report was approved by the Board on 16 June 2026 and is signed on its behalf by:

Eamonn O'Hare
Chairman and Chief Executive Officer

Section 172 Statement

Section 172 Statement

Section 172 of the Companies Act 2006 requires a director of a company to 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. In doing this, section 172 requires a director to have regard, among others, to: the likely consequences of any decision in the long term, the interests of the company´s employees, the need to foster the company´s business relationship with suppliers and others, the impact of the company´s operations on the community and environment, the desirability of the company maintaining a reputation for high standards of business conduct, and the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. How the Board had due regard to these matters is addressed throughout this Annual Report and is summarised in the table at the end of this section. We have also provided an overview of our engagement with stakeholders in the following pages.

Stakeholder engagement

Customers

Maintaining and growing customer loyalty ensures the continued success of our business and our transformation of Vodafone Spain. We are committed to fostering enhanced engagement and growing relationships over the longer term, with their feedback an invaluable tool in this process. Customer feedback is actively encouraged and monitored to help identify areas for improvement and support the ongoing development of the Group's products and services. Customers can engage directly with our customer service teams via telephone, webchat, social networks and WhatsApp. Customers can also manage their products through the Vodafone app which was refreshed this year to make it more user-friendly.

Employees

Although we significantly reduced the size of the workforce in FY25, we have implemented a much more "fit for purpose" organisation. The executive team at Vodafone Spain has been significantly restructured with a greater emphasis on fast decision making, cost reduction and top line growth. There is now a greater sense of purpose in the workforce with people starting to act like 'owner managers' with a very positive improvement in employee satisfaction. This is critically important as we head into our second full year of transformation, as an engaged workforce is one of the key ingredients for continuous financial performance. The Vodafone executive team continue to interact directly with employees, both through regular "all hands" meetings and frequent employee surveys.

We have also grown the Zegona team to provide support to the established management team.

Suppliers

Our suppliers are of vital importance in delivering our service to our customers and in meeting our strategic goals. We regularly engage with them through supplier audits and questionnaires, tender processes and events. Our main goals are to promote sustainability, reduce emissions in our supply chain, ensure high health and safety standards and encourage continued innovation. We also believe in supporting the local community and in the Financial Year to 31 March 2026, 90.4% of purchases were from local suppliers.

Governments and Regulators

Our relationship with governments and regulators is important, and we engage regularly with governmental and regulatory bodies to foster constructive collaboration and support the development of policies and regulations that positively impact our industry and customers. Through ongoing dialogue, participation in industry-specific organisations and direct engagement where appropriate, we aim to help governments and regulators address the challenges facing the industry.

Section 172 Statement continued

Investors

The Board is always available for communication with shareholders and the Executive Directors frequently engage constructively with current and potential shareholders, with feedback regularly discussed in depth at Board meetings. This has been supplemented in with consultations with major shareholders undertaken by Management. In addition, all shareholders have the opportunity, and are encouraged, to attend and vote at the general meetings during which the Board is available to discuss issues affecting the Group.

Board decisions made during the year

The decisions set out below demonstrate how the Board took section 172 matters into account during the year as part of its discussions and decision-making processes. In reaching its decisions, the Board gave careful consideration to the potential impact on stakeholders.

Strategy and business model

The Board sets the delivery of the strategic direction of the Group and oversaw the delivery of that strategy for the benefit of relevant stakeholders. This includes regular business updates from the Management team; review of the Group annual budget; approving strategy; site visits and deep dives and monitoring progress against strategic objectives.

Board outcomes/decisions

During the year, the Board made a series of decisions to set and oversee delivery of the Group's strategic direction, ensuring alignment with long-term priorities and stakeholder interests including:

- reviewing progress on the transformation programme;
- approving the completion of the FiberCo transactions;
- approving the FY26 capital allocation policy which included a €1.4b special dividend paid in January 2026, resulting in the cancellation of 523 million Zegona ordinary shares (a 69% reduction in the share count), the full repayment of the Vodafone Group financing, and a €440m cash distribution to the remaining shareholders (£1.62/share); and initiating a €200m share buyback programme; and
- using the remaining €200m of the FiberCo proceeds to reduce debt.

Stakeholders Considered, Engagement Methods and Outcomes

Investors; Customers; Employees; Suppliers and Government

Performance and risk

The Board is responsible for overseeing financial performance and risks, as well as risk controls and processes. These are regularly reported to the Board, to the A&RC and the Executive Risk Committee. The Board oversees Group financial performance and results reporting (including Interim and full-year results) and makes capital allocation decisions (including dividend recommendations). Through the A&RC the Board sets the risk appetite statement, monitors Principal Risks as well as overseeing litigation, treasury, tax, insurance,cyber security and regulatory compliance updates.

Board outcomes/decisions

During the year, the Board maintained effective oversight of financial performance and the Group's risk management framework by:

- reviewing regular reports from the Management team and relevant subject matter experts;
- agreeing actions to address variances and emerging risks;
- approving the interim and full-year results and the capital allocation policy;
- endorsing updated risk appetite statements and approved the refreshed Principal Risks; and
- considered updates on litigation, treasury, tax and insurance, agreeing any required mitigations and oversight priorities.

Stakeholders Considered, Engagement Methods and Outcomes

Investors; Customers; Employees and Suppliers

Section 172 Statement continued

Stakeholders and culture
Understanding the views and interests of the Company's diverse community of stakeholders, including customers, is important to the Board for the successful transformation of the Vodafone Spain business. The views and interests of stakeholders are considered in the development, delivery and oversight of the Group's strategy and implementation.
Board outcomes/decisions
The Board took a number of decisions to strengthen stakeholder engagement. It considered stakeholder feedback and agreed priorities for how these perspectives would be reflected in strategic oversight and decision-making. Actions included: • reviewing the strength of the talent pipeline and approved actions to enhance succession planning and leadership development; • completing the formal Board effectiveness review and, as a Board, agreeing improvement actions, alongside approving targeted induction and training for Directors; • reviewing compliance with its Section 172 stakeholder duties; and • considering regulatory and customer matters, including approach to related stakeholder engagement to ensure alignment with strategic objectives and governance standards.
Stakeholders Considered, Engagement Methods and Outcomes
Investors; Customers; Employees; Suppliers and Government

Governance
The Board receives regular reports from the Group Chief of Staff on governance and regulatory matters, as well as regular updates and insights on market trends from the Investor Relations function. During the year, the Board took time to consider or oversee key governance activities including this Annual Report and Accounts, the Annual General Meeting; Board performance review and Board induction and training.
Board outcomes/decisions
The Board maintained strong governance oversight and took a number of decisions to support compliance, transparency and the integrity of corporate reporting. It reviewed and approved the Annual Report and Accounts, confirming that disclosures were fair, balanced and understandable, and addressed the information needs of all stakeholders. The Board approved the approach to the Annual General Meeting, including the programme of shareholder engagement and governance updates to be communicated. It also completed a formal performance review of Board effectiveness and agreed a set of actions and objectives to strengthen performance, oversight and accountability. In addition, the Board endorsed targeted training for new Directors to enhance skills and knowledge.
Stakeholders Considered, Engagement Methods and Outcomes
Investors; Employees; Communities and Government

Section 172 Statement continued

s.172 statement	Disclosure	Location
The likely consequences of any decision in the long term	Strategy and business model	pages 9 to 11
	Business and financial review and key performance indicators	pages 5 to 8
	Stakeholder engagement	pages 22 to 24
	Corporate responsibility	pages 34 to 36
	Risk management	pages 12 to 19
	Governance	pages 44 to 47
The interests of employees	Business and financial review and key performance indicators	pages 5 to 8
	Stakeholder engagement	pages 22 to 24
	Corporate responsibility	pages 34 to 36
	Nomination and Remuneration Committee, Remuneration Policy and Annual Report on Remuneration	pages 57 to 73
The need to foster the Company's business relationships with suppliers, customers and others	Strategy and business model	pages 9 to 11
	Stakeholder engagement	pages 22 to 24
	Corporate responsibility	pages 34 to 36
	Risk management	pages 12 to 19
	Board activities and principal decisions	pages 44 to 47
The impact of the Company's operations on the community and the environment	Stakeholder engagement	pages 22 to 24
	Climate-related risk	pages 27 to 31
	Corporate responsibility	pages 34 to 36
	ESG Committee	pages 26 to 31
The desirability of the Company maintaining a reputation for high standards of business conduct	Stakeholder engagement	pages 22 to 24
	Corporate responsibility	pages 34 to 36
	Governance	pages 44 to 47
The need to act fairly between members of the Company	Stakeholder engagement	pages 22 to 24
	Governance	pages 44 to 47
	Shareholder information	page 47

Non-Financial and Sustainability Information Statement

Location of non-financial and sustainability information

Reporting requirement	Policy and approach	Page
Environmental matters	Climate change policy	27
Employees	Code of conduct	35
Social matters	Stakeholder engagement	22
Human rights	Modern slavery statement	please see www.zegona.com
Anti-bribery and anti-corruption	Code of conduct	35
	Anti-bribery policy	35
Business model		9
Non-financial KPIs		5

Climate risk management

The Board has overall responsibility for the Group's sustainability initiatives, disclosures and reporting, including overseeing our climate risks and opportunities. For details of how the Board delegates risk management see Risks, pages 12 to 19. Our management team holds day-to-day responsibility for assessing and managing climate-related risks and opportunities.

In this section, we provide a summary of our approach aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"), as well as the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Certain disclosures are noted as "in progress" as these are currently in development. Further detail is provided in the relevant sections.

TCFD - recommended disclosures	Page
Governance	
(a) Describe the Board's oversight of climate-related risks and disclosures	28
(b) Describe management's role in assessing and managing climate-related risks and opportunities	28
Strategy	
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	29
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	28
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(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	30
(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 emissions, and the related risks	Not disclosed (see p 30)
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	30

Climate change poses physical and transitional risks to our business, as well as potential opportunities. The former include both physical risks caused by the increased frequency and severity of climate and weather events, as well as transitional risks associated with economic, technological or regulatory changes related to the move towards a greener economy.

We consider the effects of climate change in our strategic and business planning so that we can maximise the value we bring to our customers, investors and the communities where we operate. We also monitor changes in the business landscape to identify and understand opportunities arising from the transition to a low-carbon economy.

Governance

Zegona's A&RC holds responsibility for managing our climate-related risks, which are also integrated into our risk management framework. Our proposed principal risks, watchlist risks and emerging risks are reviewed and approved by Zegona's senior management before submission to the A&RC who report risks in to the full Board.

Oversight of the Group's principal ESG risks is exercised through an ESG Committee operating at the Vodafone Spain level. The ESG Committee supervises Vodafone Spain's response to climate change as part of our sustainability strategy. The committee meets every six months to provide direction on the management of risks and opportunities. We are developing actions to strengthen our climate resilience and mitigate climate-related risks through our Climate Transition Plan ("CTP"), which commenced in April 2025 and will continue to be developed during FY27. Individual senior managers across the Group will be accountable for the design and implementation of these actions and initiatives, representing functions including our networks and technology operations, commercial and enterprise business units, procurement, external affairs and property. The ESG Committee oversees the overall implementation of the CTP.

Since 2022, Vodafone Spain's business continuity management ("BCM") system has been certified under ISO 22301:2020. It includes the implementation and application of controls and measures to manage the general risks to which business continuity is exposed.

Our main objective is to safeguard the safety and wellbeing of our employees. The proactive management of these risks includes the protection of facilities and buildings from natural and environmental risks such as flooding and earthquakes. Our crisis management guide for each area includes materials on natural disasters to support Management in reacting quickly and efficiently. In addition, the Group maintains a procedure designed to respond to catastrophes and other adverse meteorological events.

The BCM programme includes mandatory simulations of contingency plans and critical processes. These exercises allow us to be better prepared for possible disruptions – such as the annual simulation of the complete loss of a switching centre. Most departments in our technology function participate in this complex scenario, which enables us to identify vulnerabilities and incorporate improvements into the procedures that guarantee we can meet established recovery timeframes.

Timeline	Definition	Rationale
Short term	0–3 years	Aligned with the Group's business planning cycle
Medium term	3–5 years	Aligned with internal business metrics
Long term	5–25 years	Aligned with planning horizons for long-lived infrastructure assets

Strategy: Our priority climate-related risks and opportunities

Climate-related risks and opportunities are managed and overseen at Group level. During the year, we have further developed and formalised our strategy to address the Group's key climate-related risks and opportunities, including the establishment of specific and measurable targets. Our CTP is aligned with the key recommendations of TCFD and is designed to support the Group's resilience to climate-related risks as noted below.

Physical risks

- Extreme weather: Damage to assets or disruption to our own operations or supply chain due to extreme weather events such as storms, flooding and wildfires. Our network infrastructure assets are already being affected by extreme weather (e.g. flooding in Valencia), although currently at a scale that can be managed to avoid major operational impact, asset impairment or cost. Longer term, in combination with geopolitical risks, extreme weather could disrupt supply chains, particularly those that depend on critical regions or locations such as coastal ports.

  Time horizon: Medium term

- Rising average temperatures: Rising average temperatures could damage network equipment and other above-ground infrastructure or cause operational failure (particularly if located in exposed outdoor locations), as well as cause disruption in our supply chain. It could also lead to increasing consumption of energy for cooling infrastructure, data centres and offices, which could increase operating costs.

  Time horizon: Medium term

Transition risks

- Energy costs: Increasingly volatile energy prices and overall higher energy costs, partially driven by carbon pricing and demand for renewable electricity certificates outstripping supply. This risk is particularly prevalent in sites or offices with high dependency on fossil fuels (e.g. diesel generators) and non-renewable energy. However, carbon pricing will also drive an increase in cost to procure carbon-intensive products and raw materials, as third parties upstream in the supply chain look to pass through higher costs. While the Group's direct operational emissions (Scope 1 and Scope 2) are relatively limited, particularly due to 100% renewable electricity sourcing, the majority of the Group's greenhouse gas footprint arises from Scope 3 value chain activities. Accordingly, a significant portion of climate-related transition exposure is linked to the supply chain, including capital goods and network equipment procurement. As suppliers adapt to decarbonisation requirements, carbon pricing mechanisms and regulatory developments, increased input costs or supply constraints could indirectly impact the Group's operating cost base and capital expenditure planning over time.

  Time horizon: Short term

- Regulatory compliance costs: As the EU introduces policies to support the climate transition, these could impact our product portfolio (such as energy use of fixed line or mobile devices), operations (such as data centres) or corporate sustainability reporting and disclosures. Over the medium term, as these are made into law in Spain, this could result in a cost to comply or a financial risk from non-compliance. The Group acknowledges the EU and Spanish regulatory frameworks establishing national net zero and climate targets, including associated timelines. The Group is committed to ensuring that its future CTP is developed taking into consideration these regulatory benchmarks.

  As of FY26, Zegona is in the process of defining its CTP and related decarbonisation roadmap. While alignment with EU and national timelines is a key reference point, the Group has not yet formally committed to specific target years, as this will depend on the outcome of ongoing strategic, operational, and financial assessments.

  Zegona expects to further clarify its level of alignment, including timelines where appropriate, in future disclosures once the CTP has been finalised.

  Time horizon: Medium term

- Greenwashing risk: Misleading claims about the environmental impact of the Group (at a corporate reporting or brand communications level) or its products and services (at a product marketing level) could result in reputation damage, loss of revenues or possibly legal costs.

  Time horizon: Medium term

Transition opportunity

- Customer enablement: Revenue growth from the design and deployment of green digital solutions that enable business customers to reduce their own greenhouse gas ("GHG") emissions, as they seek technology solutions to support their own climate transition.

  Time horizon: Medium term

Exposure to risks and opportunities across a range of scenarios

Given the creation of an ESG committee and the significant advances made already in the analysis of the Group's Business model and strategy, Management firmly believes the Group is well placed to develop a full resilience plan in the coming Financial Year.

Zegona acknowledges the importance of climate-related scenario analysis as part of TCFD-aligned disclosures. As of FY26, scenario analysis has not yet been included within the Group's disclosures.

The Group plans to develop and incorporate climate scenario analysis as part of its broader Climate Transition Plan (CTP). This will include assessing potential impacts under different climate pathways, considering both transition and physical risk.

The Group intends to progressively align its disclosures with emerging regulatory requirements, including forthcoming UK Sustainability Reporting Standards (UK SRS), and will provide further detail once the analysis has been developed.

Whilst Zegona has performed an initial qualitative assessment of the resilience of the Group's business plan and strategy against a range of plausible climate-related scenarios, and currently considers the business to be broadly resilient, this assessment has not yet been supported by a formal, quantitative climate scenario analysis aligned with TCFD recommendations.

Zegona acknowledges this as an area for further development and plans to build this capability as part of its Climate Transition Plan, with the aim of conducting robust scenario analysis in line with TCFD recommendations and upcoming UK Sustainability Reporting Standards (SRS) requirements.

Risk management

We assess and manage climate-related risks following the process defined by our risk management framework.

Identify

To identify potential climate-related risks and opportunities, we review relevant sources of information such as media articles, publications, industry peer disclosures and industry white papers, in addition to our previous analyses. We engage with relevant internal and external experts to gather views on the evolving nature of climate-related risks for the telecommunications sector and examples of any climate change impacts that might already be materialising. Actual and past climate-related events are also considered to predict future events.

Measure

We assess the likelihood and severity of impact for each risk and opportunity identified. We simulate how the risks and opportunities could materialise over three time horizons, across a range of possible future scenarios.

In assessing the severity of an impact, we consider the relative extent of the potential financial impact through business value drivers such as increased costs, loss of revenue, asset impairment and damage to brand or corporate reputation. In assessing the likelihood of an impact, we consider the potential probability that it will materialise based on current trends, forecasts and projections and levels of uncertainty. This includes consideration of value chain exposure where Scope 3 emissions are significant, particularly in relation to supplier-related transition risks.

For transition risks and opportunities, their severity and likelihood has been assessed qualitatively across our selected scenarios and time horizons.

We are working towards estimating the financial value at stake from climate-related risks across our business, which will depend upon the completion of a fully quantitative scenario analysis for both physical and transition risks. We aim to complete these quantitative scenario analyses (including transition risks) within the coming year.

Manage

Climate change is discussed and prioritised, relative to other risks, during the principal risk assessment process. In the Financial Year, climate change was consolidated as a sub-risk of ESG risk, recognising that climate is one of several wider ESG risks that we manage holistically.

This also aligns with our internal governance structures for ESG, which encompass all aspects of our sustainability strategy. ESG risk, including climate-related risks, was assessed as a watchlist risk during FY25 given the long-term nature of climate impacts. The Group will continue to assess whether climate risk should be elevated within the principal risk framework as implementation of the Climate Transition Plan progresses.

We will continue to monitor ESG risk as this agenda evolves in the coming years. In addition, due to the nature of priority climate-related risks to our business and strategy, many elements are already captured in existing principal risks, such as extreme weather events leading to technology failure or third-party risk relating to Scope 3 emissions. This approach enables

us to capture a more holistic picture of climate-related risks, both in the short term and long term. As required by our risk management framework, once a risk is identified and assessed, a risk owner is responsible for developing and implementing the mitigating actions and controls.

Assure and monitor
We use a "three lines" model, as detailed in the risk management framework, when managing risks. Relevant assurance providers, such as control owners in the first and second line, are responsible for reviewing the policies, procedures and other relevant information to check whether the controls are effective and update them as necessary.

Report
As described in the Governance section (page 43), reporting of our climate-related risks is integrated into our risk management framework and processes, which are overseen by the A&RC.

The Risk team communicates Vodafone Spain's principal risks, watchlist risks and emerging risks to the CEO of Vodafone Spain and, through him, to the Zegona's senior management including any material climate-related risks that are identified through risk analyses, and indirectly to the A&RC.

Metrics and targets
During FY26, the Group approved and commenced implementation of a 10-year Climate Transition Plan following its separation from Vodafone Group. The Plan establishes defined greenhouse gas reduction pathways, time horizons and performance tracking mechanisms covering operational and value chain emissions. From FY27 onwards, progress against these pathways will be formally monitored and reported. No targets have been set for the current Financial Year.

We are committed to building on our progress and have already started projects to improve energy efficiency and to switch to renewable electricity where possible.

We intend to develop these in the coming year, and their establishment will form part of the implementation of our transition plan, which started in April 2025. Our transition plan will also outline the areas of uncertainty, dependency on key external factors and risks to the delivery of our targets. Comparative emissions data for prior periods has not been included due to the separation from Vodafone Group and the transition of reporting systems during the year. The Group is implementing standalone emissions data management processes and expects to provide historical comparatives and trend analysis from FY27 onwards. As previously mentioned, we are establishing our transition plan which will have data, and data-driven decision making at its core.

Greenhouse gas emissions
Zegona is aware that urgent and continuous action is needed to address the climate crisis, and that business growth should not come at a cost to the environment. We are committed to reducing our environmental impact and helping both customers and society become more efficient. Vodafone Spain closely monitors the gases that it uses, and will continue with its plans for substituting its use of gases and refrigerants where possible, whilst also preventing and recording all possible leaks.

The Group monitors Scope 1 and Scope 2 greenhouse gas emissions as key indicators of its exposure to climate-related transition risks, particularly energy price volatility, carbon regulation and decarbonisation requirements. These metrics support decision-making in relation to energy procurement, efficiency investments and operational improvements, and inform the development of the Climate Transition Plan. Additional climate-related metrics are being developed to strengthen monitoring of both physical and transition risks over time.

Purchase and use of electricity
All Vodafone Spain's electrical consumption is sourced via renewables sources, evidenced by a Renewable Energy Certification, therefore reportable emissions are zero. Vodafone Spain's total annual usage was 579,703 MWh (FY25: 572,871 MWh (0 kWh in the United Kingdom both in the current and comparative periods).

Key statistics
CO2 emissions from operation of facilities / CO2 emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity, heat, steam or cooling by Vodafone Spain for its own use; the annual quantity, in kWh, of energy consumed from activities for which the company is responsible and the energy consumed resulting from the purchase of electricity, heat, steam or cooling by the company for its own use.

Zegona GHG emissions arising from Vodafone Spain in the 12 months from 1 January to 31 December 2025[21]

	Global tonnes of CO_2e FY26	Global tonnes of CO_2e FY25
Scope 1 (fuel and fugitive emissions of refrigerant gases)	4,118	3,446
Scope 2 (market-based Scope 2 emissions are zero due to certified renewable electricity procurement)	—	—
Emissions intensity per unit of data traffic (tCO_2e per TB)	0.024	0.026

Scope 3 emissions are currently under assessment for the calculation of the Group's total impact. We will publish total emissions, reflecting the nature of telecommunications operations, including procurement of network equipment, capital goods and value chain activities in the FY27 Report.

[21] Our calculations have been compiled by our Vodafone Spain Sustainability team, and the results have been audited by KPMG Spain and AENOR Spain. These follow relevant guidelines published by the Ministerio para la Transición Ecológica y Reto Demográfico (Ministry for Ecological Transition and Demographic Challenge) for 2025.

Scope 1 emissions for the current reporting period are presented on a calendar year basis (2025), whereas prior disclosures were prepared on a financial year basis (FY25). The difference in figures compared to the previously reported FY25 amount (3,229) reflects this change in reporting boundary rather than a restatement or correction of prior data.

Zegona companies do not generate operational emissions in the UK, as the Company does not have operational activities that give rise to Scope 1 or Scope 2 emissions in this geography. Accordingly, no material UK-attributable emissions are reported across Scope 1 or 2.

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Corporate Responsibility

Corporate social responsibility

We recognise our obligations to act responsibly, ethically and with integrity in our dealings with staff, suppliers and the environment as a whole. We are committed to being a socially responsible business.

Our people

We value and respect the unique contributions of each individual, and we are committed to ensuring that every employee is treated with dignity and respect and has a meaningful opportunity to contribute to the Group's success.

All the Group employees are encouraged actively to engage with charitable activities.

Zegona recognises that a productive workforce requires a breadth of experience and perspectives which is achieved through hiring individuals with diversity of age, gender or educational and professional backgrounds.

The business is committed to diversity and to meeting governance requirements in this important area. In FY25, the Board commenced a recruitment process to meet the 40% gender balance target on the Board. With Suzi Williams who is the Chair of both the Nomination and the Remuneration Committees, Rita Estévez (appointed 28 June 2024) and Sofia Arhall (appointed 24 April 2025) the Group achieved the Gender balance target effective in FY26. This changed temporarily upon the appointment of Tim Pennington as a director (on 3 March 2026) to 37.5% whilst Tim Pennington and Ashley Martin overlap for an effective handover of the A&RC Chair role. Once Ashley Martin steps down at the 2026 AGM in July 2026, the gender balance target will be achieved again. The Board recognises the importance of diversity on the Board and has significant international experience although the Board notes the lack of members from a minority ethnic background. The Committee is committed to a diversity policy within its Board and is actively incorporating this into its recruitment processes through specific targets, where possible.

Board Directors and senior managers have been appointed to bring a broad range of skills, knowledge and experience. The Nomination Committee will continue to consider the experience and diversity of the Board for new appointments.

The table below shows the breakdown of our workforce at the end of March 2026.

	Male	Female	Total
Board Directors	5	3	8
Executives	54	20	74
Middle management	201	160	361
Other line and departmental support personnel	1,375	1,086	2,461
Total	**1,635**	**1,269**	**2,904**

The workforce composition and diversity data, including ethnicity, are derived from internal systems based on information provided by employees through standard HR processes. Ethnicity data is self-declared on a voluntary basis.

Culture

Code of Conduct and business principles

We recognise our obligations to act responsibly, ethically and with integrity in our dealings with staff, suppliers and the environment as a whole. We are committed to being a socially responsible business and have a code of conduct for all our employees, consultants and suppliers to ensure high standards of conduct are adhered to.

Other ethical codes

Vodafone Spain has voluntarily adhered to other ethical codes of conduct, such as the Code of Ethics in Telesales Operations, Code of Good Practices for Mobile Portability Cancellation, Code of Good Practices for Network Deployment (FEMP), Code of Good Tax Practices and the Mobile Alliance Against Content of Sexual Abuse of Minors.

Anti-Corruption Policy

The Group has a zero tolerance policy against bribery that establishes a set of clear rules and guidelines for conduct, aimed at avoiding corrupt practices. Its purpose is not only to avoid non-compliance with anti-corruption laws, but also any unacceptable conduct that may damage the company's reputation. This policy applies not only to all employees but also to all its contractors, suppliers and collaborators. Essential aspects of the Anti-Corruption Policy are outlined below:

- The commitment of senior management to ensure compliance with national and international anti-corruption regulations and guarantee that the Group's activity is transparent and professional at all times.
- Maintaining a record of gifts and hospitality, not only as an element of control but also of transparency. The Anti-Corruption Policy establishes economic limits for corporate gifts and hospitality, as well as the required approval processes.
- Training plans and awareness and communication campaigns.
- Specific risk assessment processes (Anti-Bribery Risk Assessment), which allow for the identification and implementation of appropriate controls based on the risks of each business area and the review of the Anti-Corruption Policy within the framework of the annual policy review process, carried out on an alternate basis, every two years.

In relation to money laundering and terrorist financing risk, the Group takes robust prevention, detection and reporting measures. In addition, risk-based systems and controls are in place for financial products, which include, among others, acting with due diligence, having lists of jurisdictions and persons subject to financial sanctions, transaction monitoring, notifications of suspicious activity and monitoring of regulatory compliance.

Vodafone Spain, in line with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, operates a whistleblower channel mechanism called Speak Up, which is applicable to all employees, external collaborators and suppliers, who have access with full coverage 24 hours a day, 365 days a year, and full guarantees of confidentiality, to report any critical concern such as an alleged irregularity, non-compliance or behaviour that could be illegal or criminal (fraud, bribery, price fixing, harassment, intimidation or conflict of interest, among others).

Actions against fraud and corruption

All areas of the company are regularly analysed and monitored with respect to the risk of fraud and corruption and, on a quarterly basis, the A&RC is informed of any fraud and corruption actions that may have occurred during the Financial Year. In the Financial Year ended 31 March 2026, no incidents of corruption were recorded.

Privacy

The Group complies with the General Data Protection Regulation (GDPR) and has implemented a continuous improvement process to ensure a high level of security and privacy for the personal data it processes. Furthermore, Vodafone Spain successfully renewed its Information Security Management System certification (ISO 27001) which provided comfort over the Management and Security of its customers' Information and Communications.

Vodafone Spain adheres to the Code of Conduct for Data Processing in Advertising Activities promoted by AUTOCONTROL and approved by the Spanish Data Protection Agency (AEPD). This Code provides an alternative means for resolving data protection disputes and includes a series of guidelines to be followed by registered entities. By adhering to this Code, Vodafone Spain underlines its commitment and proactivity to GDPR compliance in its advertising activities.

Human rights

We want to make sure that we have a positive impact on people and society, which includes respecting human rights in all our operations.

As a telecommunications operator, we connect people. This means that our most significant human rights risks relate to our customers' rights to privacy, concerning their data that we safeguard, and freedom of expression, in terms of their ability to receive, seek and share information, through the connections we provide. As noted in the Risk section of this report (page 12) this is a key area of compliance for the Group.

As an employer of a large workforce, we also maintain a grievance mechanism 'Speak Up' accessible to all individuals in our employ, providing a platform to raise concerns about human rights issues.

In addition we have a stated aim to prevent modern slavery in our business, which can been read in detail in the Modern Slavery Statement on our website.

Compliance culture

The Group is committed to the existence of a true culture of compliance and control with respect to regulations, and zero tolerance for the commission of illegal acts, as the only way to make the prevention model sustainable.

The Group has implemented a systemic plan to support and monitor this area. Regular online training is mandatory for all employees, including the senior management team, including courses on mandatory regulations, corporate policies and the Code of Conduct. In addition, specific training is provided to the most affected groups in accordance with the purpose of the corporate policy in question. Similarly, with the aim of reinforcing the compliance culture, information and awareness campaigns are carried out to regularly transmit to all employees a clear message of the Group's commitment to ethical culture and regulatory compliance.

Prevention and Control Tools

The Group has implemented a series of measures to verify the effectiveness of compliance with its corporate policies, which, together with the Code of Conduct, form the foundation of the Group's lines of defence and is actively preparing for Provision 29. See page 55 for more detail on the Group's control environment.

Directors' Responsibility Statement

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. They are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement in accordance with those same laws and regulations.

Company law requires the Directors to prepare the Group financial statements in accordance with UK-adopted international accounting standards, and they have elected to prepare the parent Company financial statements on the same basis.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern; and
- use the going-concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess Zegona's position and performance, business model and strategy.

By order of the Board

Eamonn O'Hare
Chairman and Chief Executive
16 June 2026

Directors' Report

General

Details of the Directors can be found on pages 48 to 50. A discussion on the role of the Board, including the powers of the Company's Directors can be found in the Corporate Governance Statement beginning on page 44. The rules relating to the appointment and replacement of Directors and details of any agreements with the company and its Directors or employees for compensation for loss of office or employment can be found in the Directors' Remuneration Report beginning on page 62.

Governance

As a publicly listed company, strong governance is core to how we do business. Zegona's Board of Directors (the 'Board') held six scheduled meetings during the Financial Year to discuss key strategic matters and stakeholder interests.

The Remuneration Committee held five scheduled meetings during the Financial Year (two whilst joint with the Nomination Committee) to advise the Board on policies for executive remuneration and reward packages for the executives and senior management team (eight committees were held in FY25). The Nomination Committee held five scheduled meetings during the Financial Year (two whilst joint with the Remuneration Committee). The Nomination and Remuneration Committee was split into two Committees in June 2025.

The A&RC held six scheduled meetings in the Financial Year to provide effective governance over the appropriateness of the financial reporting of the Group, including the adequacy of related disclosures, the performance of the internal audit function and the external auditor and oversight of the Group's systems of internal control, risk management framework and compliance activities (six committees were held in FY25).

Information contained in the Strategic Report

As permitted by section 414C of the Companies Act 2006, certain information required to be included in the Directors' Report has been included in the Strategic Report. Such information includes:

- employee matters;
- stakeholder engagement;
- likely future developments; and
- GHG emissions.

Result

For the Financial Year ended 31 March 2026, the Group's loss after tax from continuing operations was €189.4m (FY25: €438.8m). Other comprehensive gain was €15.4m (FY25: €11.2m). Therefore, the total comprehensive loss for the Financial Year was €174.0m (FY25: €427.6m). Reviews of performance and likely future developments are set out in the Strategic Report on pages 3 to 11.

Dividends

A special dividend of €1.4b was paid in the Financial Year.

Later this year we intend to communicate a longer term capital allocation policy. This will set some guidance on our priorities for investing in the business, maintaining a strong balance sheet and utilising excess capital to reward shareholders.

Contracts of Significance

Subscription and Relationship Agreement dated 31 October 2023 (now expired):
EJLSHM Funding Ltd subscribed for €900m of new Zegona Shares in October 2023, the proceeds of which were subsequently used in the acquisition of Vodafone Spain (the "Vodafone Financing"). This agreement remained in place until 7 January 2026 when, through payment of a special dividend of €1.8632 per share, (equivalent to £1.62098 based on EUR/GBP FX rate of 0.87), the Vodafone Financing was repaid in full. Following the repayment on 7 January 2026, on 8 January 2026 the Zegona Shares held by EJLSHM Funding Ltd were deferred and subsequently cancelled, pursuant to a Resolution of Shareholders at a General Meeting held on 22 December 2025. That resulted in a 69% reduction in the number of issued Zegona ordinary shares, compared against the number of shares pre that capital restructuring.

Borrowings:
During the Financial Year the Group updated some of the terms of the borrowings entered into in FY25. At the end of the Financial Year, total borrowings had reduced by c. €230m. The key points of these contracts are summarised in note 21.

Vodafone Transitional Service Agreements (TSAs):
As part of the acquisition a number of TSAs were agreed with Vodafone Group plc. These included, but were not limited to, support across IT and service functions and last for between 2 -10 years. During the Financial Year certain Transition Services were extended whilst others were replaced, either with internal capability or with third parties.

FiberPass:
FiberPass, the FiberCo between Vodafone ONO, S.A.U. (Vodafone Spain) and Telefónica de España, S.A.U. (Telefónica), launched on 1 March 2025 and covers almost 4 million premises across Spain. On 25 November 2025 it was announced that a binding agreement had been signed with Axa and Telefonica for the sale of the majority of Vodafone Spain's interest in the FiberPass FiberCo for a sum of approximately €400m. That transaction was conditional upon receipt of European Union anti trust clearance, which was received on 13 February 2026 and the transaction closed on 5 March 2026.

PremiumFiber:
PremiumFiber is the FiberCo between Vodafone Spain, MasOrange S.L. and GIC Private Markets Pte Ltd and brings together the network assets of Vodafone and MasOrange to create a 100% fibre-to-the-home ("FTTH") network covering over 12 million premises across Spain.The completion of the PremiumFiber transaction on 4 December 2025 delivered upfront cash proceeds of €1.4b for Vodafone Spain which were used to pay Zegona shareholders a special dividend on 7 January 2026, which included the settlement of the Vodafone Financing in full.

Capital Structure

On 1 April 2025**,** Zegona Communications plc (registered number 09395163) had a capital structure comprised of 759,209,905 ordinary shares of £0.01 each ("Ordinary Shares"). On 12 December 2025, a share buyback programme commenced and on 7 January 2026 the Vodafone Financing was repaid in full resulting in the 523,240,603 Ordinary Shares held by EJLSHM Funding Ltd being deferred and subsequently cancelled on 8 January 2026, reducing the issued share capital by 69% to 234,556,302 Ordinary Shares. The number continues to reduce as a result of the buyback and cancellation of shares under the share buyback programme referred to below. At 31 March 2026 the Company had a share capital comprised of 228,633,802 Ordinary Shares.

The holders of Ordinary Shares have the right to receive notice of, attend and vote at all general meetings of the Company. Holders of Ordinary Shares have the right to participate in any dividends and any surplus capital on a winding up pari passu amongst themselves.

Approval was requested and granted at the Company's AGM on 24 September 2025 to reduce the capital of the Company by an amount of €1.23b via a transfer from the share premium account to retained earnings form part of the distributable reserves of the Company.

During the Financial Year no shares were issued (FY25: 55,060,495).

Share buy-back authority

The shareholders passed a resolution to renew the authorisation for the Company to make market purchases of its issued ordinary share capital (within specified price parameters) at the 2025 AGM, which expires on the earlier of the 2026 AGM or 24 March 2027. A resolution to renew this authority is proposed for the 2026 AGM. It is intended that this authority will only be exercised if the Board considers that it is in the best interests of the Company at the time, for instance if the traded price of the Company's Ordinary Shares is substantially below the Director's estimate of the Company's intrinsic value. Any shares repurchased by the Company may be held in treasury and subsequently resold for cash, cancelled or used for employee share scheme purposes.

Share Buyback Programme

On 25 November 2025 the Company announced its intention to use some of the proceeds of the FiberPass transaction in repaying debt and up to €200m as part of the share buyback programme. The Company announced the commencement of the share buyback programme on 12 December 2025. Initially, the share buyback programme was funded from the Company's cash reserves. Upon completion of the FiberPass transaction on 5 March 2026, proceeds became available to utilise in connection with the share buyback programme. At the end of the Financial Year, the Company had bought back 7,335,500 Ordinary Shares pursuant to the buyback programme at a cost of €139m. The programme continues to be in place until the €200m cap is reached or otherwise announced by the Company. Refer to note 18. Share Capital for further detail.

Financial instruments

Information on financial instruments and the use of derivatives is given in note 25 to the financial statements.

Internal control and financial risk management

A description of the main features of the Company's internal control and risk management arrangements in relation to the financial reporting process can be found in the Audit and Risk Committee Report on page 51. Details of the Company's financial risk management activities can be found in note 25 to the financial statements.

Significant agreements subject to change of control provisions

Zegona Limited has issued Management Shares as part of Zegona's incentive arrangements. On a change of control of Zegona, subject to the requirements of the Articles of Association of Zegona Limited, the Management Shares can be exercised with their value being delivered either through the issue of ordinary shares or in cash.

Substantial shareholders

At 31 March 2026 and up to the date of approval of this report, Zegona had been notified under DTR 5 of the following holdings in 3% or more of the issued ordinary shares:

Asset manager / individual	Shareholding at 29 May 2026	% of ordinary share capital as at 29 May 2026	Shareholding at 31 March 2026	% of ordinary share capital as at 31 March 2026
Mr Eamonn O'Hare	35,327,787	15.62 %	35,327,787	15.45 %
Thornburg Investment Management Inc.	34,196,986	15.12 %	34,196,986	14.96 %
Fidelity Investments (FMR LLC)	31,519,280	13.94 %	32,513,136	14.22 %
Mr Robert Samuelson	16,686,277	7.38 %	16,686,277	7.30 %
Alken*	15,089,346	6.67 %	15,089,346	6.60 %
Total holdings >3%	132,819,676	58.73 %	133,813,532	58.53 %

*Alken includes notifications received from AFFM S.A. on behalf of both Alken Capital Fund FCP-SIP and Alken Fund SICAV.

On 31 March 2026 the issued share capital was 228,633,802 ordinary shares of one pence and on 29 May 2026 was 226,163,802 ordinary shares of one pence.

Important events since the end of the financial year

Other than those mentioned in Note 33. Post Balance Sheet Events, there were no important events affecting the Group which have occurred since the end of the financial year.

Independent auditor

On 16 July 2024, Ernst and Young LLP UK ("EY") was appointed the Group's auditor and a resolution for their reappointment will be proposed at the 2026 AGM. EY has confirmed that it remains independent of the Group.

Political donations

Zegona does not make any political donations or contributions to political parties and has no intention of altering this policy.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Statement of going concern

The Directors have considered all available information, including specific consideration of forecast financial information, about the possible future outcomes of events and changes of conditions, and the realistically possible responses to such events and conditions that are available to the Directors. The Board believes it is appropriate to prepare the financial statements on the going concern basis and, as discussed in note 2.b to the financial statements, has concluded the Group and the Company are able to continue in business and meet its liabilities as they fall due, for the period to 31 March 2029.

By order of the Board

Eamonn O'Hare
Chairman and Chief Executive
16 June 2026

Corporate Governance

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Corporate Governance Statement

Overview

The corporate governance report, presented here, forms part of the Directors' Report. As such, it has been approved by the Board and signed on its behalf by the Chairman.

We recognise the importance of sound corporate governance, to provide an effective framework within which to form our decisions and build our business. The Board is focused on creating long-term sustainable growth for our shareholders and value for our stakeholders. Our corporate governance framework helps us achieve this goal and we are committed to continuing to seek opportunities to improve our corporate governance arrangements.

The following sections of this report show how Zegona applies the main provisions set out in the 2024 UK Corporate Governance Code (the "Code"), issued by the Financial Reporting Council ("FRC"), as would be required by the Listing Rules of the Financial Conduct Authority ("FCA") as applicable to non-FTSE 350 companies if Zegona were admitted to the Equity Shares Commercial Companies category of the Official List, and how Zegona meets the relevant information provisions of the FCA's Disclosure and Transparency Rules (DTR). Zegona applies the higher standard of governance disclosure in this report despite being subject to fewer provisions as we are listed in the Equity Shares (Transition) category following the July 2024 Listing Regime changes and the abolition of Zegona's previous standard listing.

Zegona's principal risks are described in the Risks section, page 12. The Directors' Report, page 39, also contains information required to be included in this statement of corporate governance.

The Board of Directors

Zegona is led and controlled by an effective Board. The Board at the date of approval of this report comprises two Executive Directors and six Non-Executive Directors. The two Executive Directors are Eamonn O'Hare (Chairman and Chief Executive "CEO") and Robert Samuelson (Chief Operating Officer ("COO")). The Non-Executive Directors are Richard Williams, Ashley Martin, Suzi Williams, Rita Estévez Luaña, Sofia Arhall and Tim Pennington (appointed on 3 March 2026).

Biographical details of all Directors and details of their committee memberships at the date of approval of this report appear on pages 48 to 50. Consideration of the Board size and composition is kept under regular review by the Nomination Committee.

In accordance with the Company's Articles of Association, the Directors have the benefit of qualifying third-party indemnity provisions, which were in force during the financial year and remain in force at the date of this report.

The Company also maintains Directors' and Officers' liability insurance for the benefit of its Directors and officers.

Powers and Operation of the Board

In exercising its duty to promote Zegona's success, the Board is responsible for overseeing the management of the Company and, so doing, may exercise its powers, subject to any relevant laws, regulations and Zegona's Articles of Association. The Board is presented with papers from Management concerning financial information, information on investor relations and details of acquisition targets and deal progress, which it takes into account in discussions and in the decision-making process under section 172 of the Companies Act 2006.

Eamonn O'Hare, as the Chairman and Chief Executive, is primarily responsible for the running of the Board and for the day-to-day running of Zegona. All Board members have full access to Zegona's advisers for seeking professional advice at Zegona's expense and our culture is to discuss openly any important issues and frequently engage with Board members outside of formal meetings. The operating and financial responsibility for all subsidiary companies is the responsibility of the Board.

The Board meets formally at least four times a year and the Directors are encouraged to have free and open contact with Management at all levels and full access to all relevant available information. The Executive Directors actively and constructively encourage challenge and seek input from the Non-Executive Directors to draw on their extensive experience and knowledge.

The Board delegates the day-to-day responsibility for running Zegona to the executive management. However, there are a number of matters which are required to be, or should only be, decided by the Board of Directors as a whole in accordance with the UK Corporate Governance Code. A schedule of Matters Reserved for the Board, re-approved by the Board on 12 March 2026, can be found on Zegona's website[22].

Board Committees

The Board has three principal Committees, the A&RC, the Nomination Committee and the Remuneration Committee (which was combined with the Nomination Committee until June 2025), to assist it in the execution of its duties. If the need should arise, the Board may set up additional committees as appropriate. The committees' terms of reference are available on Zegona's website or by request from the Company Secretary (cosec@zegona.com). Each of the Committees is authorised, at Zegona's expense, to obtain legal or other professional advice to assist in carrying out its duties. No person other than a committee member is entitled to attend the meetings of these committees, except by invitation of the chair of that committee. The Company Secretary acts as secretary to each committee.

We regularly review the composition of these committees, detailed on page 48, taking into consideration the Nomination Committee's recommendations.

Independence of the Board

The Code specifies that the Board should identify in the Annual Report each Non-Executive Director it considers to be independent. The Board considers that Suzi Williams, Rita Estévez Luaña, Sofia Arhall and Tim Pennington (who was appointed in March 2026) are independent Non-Executive Directors for the purposes of the Code and have no relationships or circumstances which are likely to affect, or could appear to affect, their judgement as Directors.

Richard Williams and Ashley Martin (upon reaching nine years' service on 6 February 2026) do not meet the Code criteria for an independent Non-Executive Director, due to their length of service. Following a rigorous performance evaluation, the Board confirms that both continue to be effective members of the Board, demonstrating commitment to the role. Despite serving more than nine years, both maintain strong independent characters and provide invaluable industry, financial and strategic insight, continuing to act in the best interests of the company and its shareholders. Ashley Martin will step down from the Board at the 2026 AGM.

Board and Committee attendance for the Financial Year 1 April 2025 to 31 March 2026

	Board	Nomination Committee	Remuneration Committee	Audit and Risk Committee
Eamonn O'Hare	6/6	-	-	-
Robert Samuelson	6/6	-	-	-
Richard Williams	6/6	2/2	2/2	1/1
Ashley Martin	6/6	5/5	5/5	6/6
Suzi Williams	6/6	5/5	5/5	1/1
Rita Estévez Luaña	6/6	3/3	5/5	6/6
Sofia Arhall	6/6	2/2	-	6/6
Tim Pennington	1/1	-	-	1/1

The Nomination and Remuneration Committees were joint until June 2025 and two meetings, in respect of each of those committees, were when combined.

Richard Williams resigned from the A&RC and Remuneration Committees on 5 June 2025.
Ashley Martin resigned from the Nomination and Remuneration Committees on 1 April 2026.

Suzi Williams resigned from the A&RC on 5 June 2025.

Rita Estévez Luaña was appointed to the Board, A&RC and the Remuneration Committee on 28 June 2024.

Sofia Arhall was appointed to the Board, A&RC and the and Nomination Committee on 5 June 2025.
Tim Pennington was appointed to the Board and A&RC on 3 March 2026 and the Remuneration and Nomination Committees on 1 April 2026.

[22] Zegona website - Zegona.com

Evaluation of the Board, Committees and individual Directors

The Board has conducted an annual evaluation of its own performance and that of its committees by means of a questionnaire completed by the Directors. The questionnaire was drafted having regard to the balance of skills, experience, independence and knowledge contributed by the Board's members, its diversity, successful operation as a unit and other factors relevant to its effectiveness.

To ensure independence and objectivity, the questionnaire was designed, administered and reviewed on a confidential basis. The anonymous responses were sent to each Director for consideration and discussion at a meeting of the full Board. Following that evaluation, the Board is satisfied that each of the Board and its Committees remains independent and objective, as well as effective and that each individual director continues to have the time to devote to their respective duties.

During the Financial Year, the Board has begun a process to appoint an independent consultant to perform a third party evaluation of the Board during FY27. The results of that evaluation will be published in next year's Annual Report.

Directors' Terms of Service

Zegona's Articles of Association require each Director to offer themselves for re-election or election at each AGM by Zegona's shareholders. The Chairman is satisfied that the performance of the Directors continues to be effective and demonstrates their ongoing commitment to the role and as such supports their re-election at the 2026 AGM.

The Executive Directors have service contracts which may be terminated on no less than 12 months' notice by either party. The Non-Executive Directors each have appointment letters which can be terminated on six months' notice. All Non-Executive Directors' continued service is dependent on annual re-election by shareholders and the annual Board effectiveness review. We set out details of the unexpired terms of the service contracts in the Directors' Remuneration Report.

Conflicts of Interest

Zegona's Articles of Association provide for a procedure for the disclosure and management of risks associated with Directors' conflicts of interest. Zegona's Board Charter sets out the process for managing significant Board or investor disagreements or conflicts.

Company Secretary

Gen II Corporate Services (Jersey) Limited was appointed Zegona's Company Secretary on 24 February 2021. In January 2025 the Company appointed Mark Millar as General Counsel and Chief of Staff and as joint Company Secretary in December 2025. They assist the Directors in ensuring Zegona is managed, controlled and administered within the parameters of its governing and constitutional documents. All Directors have access to the advice of the General Counsel and the Company Secretaries, who are responsible for guiding the Board on all governance matters.

Compliance with the UK Corporate Governance Code

The Code sets out a number of principles in relation to board leadership and company purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration.

The Company has a transition listing and as such is not required to comply with the UK Corporate Governance Code in full. However it voluntarily does so, except in the instances set out below:

Combined Chairman and CEO

Provisions 9 and 19 of the Code recommend that the roles of Chairman and the Chief Executive Officer should not be exercised by the same person and that the Chairman should be independent on appointment, their tenure should be limited to nine years and succession planning should be undertaken when appropriate. Zegona does not comply with these requirements. The Board presently believes that Eamonn O'Hare's skills, knowledge and leadership have enabled him to effectively perform both roles. Zegona also maintains a strong independent Board and a Schedule of Matters Reserved for the Board which prevents Eamonn O'Hare from authorising certain corporate actions without a formal resolution of the Board which is reinforced by the Board's culture of detailed review and robust challenge on significant matters. The Board considers that it is important that the combined role should continue to be kept under active review in the context of the Company's activities.

Appointment of a Senior Independent Director ("SID")

Provision 12 recommends that one Non-Executive Director should be appointed as a SID to provide a sounding board for the chair and serve as an intermediary for the other Directors and shareholders. Zegona does not currently have a SID and has no current intention to appoint one as it believes that all of our Non-Executive Directors provide strong independent challenge, are used as a sounding board and can be contacted by shareholders.

Whistleblowing policy

All employees are encouraged to raise genuine concerns about possible improprieties in the conduct of the Group's business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate way. The Group has put in place a whistleblowing policy which aims to:

- encourage employees to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected;
- to provide employees with guidance as to how to raise those concerns; and
- to reassure employees that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.

Share dealing

Zegona has in place systems to ensure compliance by the Board and its applicable employees' in relation to dealings in the Company's securities. The share dealing code, adopted by the Board, is appropriate for the Group and complies with the EU Market Abuse Regulation (EU regulation 596 of 2014) as implemented in the UK by the Market Abuse (Amendment) (EU Exit) Regulations 2019. The Board complies with these provisions and takes all reasonable steps to ensure compliance by the Group's employees.

Relations with Zegona's stakeholders

The Board is always available for communication with, and our Executive Directors frequently engage constructively with, current and potential shareholders, with feedback regularly discussed in depth at Board meetings. This has been supplemented in the last three years with consultations with major shareholders undertaken by Management.

See further information on our relationship with our key stakeholders on page 22 and on the Shareholder Information page of our website at Zegona.com.

Eamonn O'Hare
Chairman and Chief Executive
16 June 2026

Profiles of the Directors

Eamonn O'Hare

Chairman and CEO
(appointed 19 January 2015)

Eamonn has spent over two decades as a board member and senior executive of some of the world's fastest-growing consumer and technology businesses. From 2009 to 2013 he was CFO and main board director of the UK's leading entertainment and communications business, Virgin Media. Eamonn helped lead successful transformation and sale to Liberty Global for USD $24 billion, crystallising USD $14 billion of incremental shareholder value. From 2005 to 2009, he served as CFO for the UK division of one of the world's largest retailers, Tesco plc. Before joining Tesco, Eamonn was CFO and main board director of Energis Communications and helped lead the turnaround of this high-profile UK telecommunications company. Prior to this, he spent 10 years at PepsiCo Inc. in senior executive roles in Europe, Asia and the Middle East. Eamonn's early career was spent in the aerospace industry with companies that included Rolls Royce and British Aerospace.

Eamonn has a degree in aerospace engineering from the Queen's University Belfast and an MBA from the London Business School.

Robert Samuelson

Executive Director and COO
(appointed 19 January 2015)

Robert was Executive Director of Group Strategy at Virgin Media from 2011 to 2014, during which time he was centrally involved in the sale of the business to Liberty Global and the post-merger integration process. Prior to this, Robert was a managing partner at Virgin Group with global responsibility for developing and realising returns from Virgin's telecommunications and media businesses. Before joining Virgin Group, Robert was a director at Arthur D. Little Ltd, where he co-led the European corporate finance practice, providing strategic advice to major European telecommunications operators. His early career was spent with British Aerospace and Royal Ordnance in engineering and production management roles.

Robert studied natural sciences at Cambridge University and has an MBA from Cranfield School of Management.

Richard Williams

Non-Executive Director
(appointed 9 November 2015)

Richard is an experienced Non-Executive Director with significant board-level experience in both public and private companies and currently holds a number of non-executive director roles. Richard spent most of his executive career in European telecommunications, most recently as a Director of Investor Relations at Altice, and prior to that, Virgin Media. Richard led Virgin Media's investor relations activity through to the acquisition of the company by Liberty Global in 2013. Richard then joined Altice, where he supported the company's IPO and acquisition of SFR and Portugal Telecom.

Richard is a qualified chartered accountant. On 5 June 2025 Richard Williams resigned from both the A&RC and Remuneration Committees.

Profiles of the Directors continued

Ashley Martin

Independent Non-Executive Director
(appointed 6 February 2017)

Ashley brings a wealth of complementary experience to the Board. Ashley was Audit Committee Chair at Rightmove plc from 2009 to 2018 and, in that role, gained valuable insight into an entrepreneurial, high-growth consumer technology business. On 1 September 2018, Ashley was appointed as a Non-Executive Director and the Chair of their Audit And Risk Committee of the international research data and analytics group YouGov plc. Ashley has also enjoyed a successful executive career spanning 35 years in listed and Private Equity backed companies, with a particular focus on mergers and acquisitions. Ashley was Global Chief Financial Officer of private equity-backed Engine Holding LLC, and was previously the Group Finance Director of Rok plc, the building services group, and Group Finance Director of the media services company Tempus plc.

Ashley is a qualified chartered accountant and was Chair of the A&RC until 1 April 2026 when Tim Pennington took over that role. He will step down from the A&RC and the Board at the 2026 AGM after a period of handover with Tim Pennington. He was a member of both the Nomination and Remuneration Committees until 1 April 2026 when he stepped off those Committees.

Suzi Williams

Independent Non-Executive Director
(appointed 5 February 2020)

Suzi is an experienced FTSE 250 Non-Executive Director. She has spent over 25 years in telecommunications, media and consumer businesses in the UK and internationally, including a decade as Chief Brand and Marketing Officer at BT plc. Prior to that, she was Commercial Development Director at Capital Radio Group and held senior commercial leadership roles at Orange, the BBC, KPMG Consulting and Procter & Gamble.

Suzi is currently a Non-Executive Director and Chair of Nominations at Telecom Plus plc. She also advises a number of early-stage technology and AI businesses.

Previously, she was Senior Advisor to The Sustainable Infrastructure fund at Gresham House Private Equity. She also held non-executive director and Chair of Remuneration Committee roles at Workspace Group plc and The AA plc. Suzi was also a member of The Great Advisory board, promoting British business overseas.

Suzi chairs both the Nomination and Remuneration Committees and was a member of the A&RC until 5 June 2025.

Rita Estévez Luaña

Independent Non-Executive Director
(appointed 28 June 2024)

Rita is an experienced senior executive with more than 30 years of experience in both the technology and financial services sectors. Throughout her career, she has held CEO and Managing Director positions, including CEO of Experian Iberia, Global COO & Technology-Digital Strategy Officer for Deutsche Bank Europe & Asia, and Country Head of GE Financial Insurance.

Rita has extensive experience in strategy, finance, and technology, as well as a strong track record in M&A, international expansion, and business transformation initiatives. She is currently a recognised thought leader in artificial intelligence and digital innovation in Spain, advising companies on the strategic adoption of emerging technologies

As an Independent Director, Rita has nearly 10 years of experience. Alongside her role as an Independent Director at Zegona, she currently serves as a Non-Executive Director at Línea Directa Aseguradora, a leading listed insurance company in Spain, where she chairs the Audit & Risk Committee.She also serves as a Non-Executive Director at MoraBanc Group, an international banking group with operations in Andorra, the United States, Switzerland, and Spain, where she chairs the Technology & Cybersecurity Committee.

In addition, Rita sits on several advisory boards of technology companies and serves as a Board Advisor to Clarel, a leading beauty and personal care retailer in Spain with 1,000 stores nationwide. Previously, she served as an Independent Director of Telefónica Consumer Finance and Mutua de Propietarios, an insurance company.

Rita is a member of the Remuneration Committee and the A&RC.

Profiles of the Directors continued

Sofia Arhall

Independent Non-Executive Director
(appointed 24 April 2025)

Sofia is an experienced business leader with an international executive career spanning three decades with extensive experience in the technology and media sectors. With more than 13 years in global and regional executive roles at Google, she brings a wealth of expertise in digital transformation, strategic partnerships and customer-centric innovation.

Sofia currently holds board positions at Norstat, Ziton, Norwegian Air Shuttle ASA, Parken Sport & Entertainment and Last Mile plc. She has previously served as Non-Executive Director at Tele2, TDC Holding, Bluestep Bank and Reseguiden.

Sofia is a member of the A&RC and the Nomination Committee.

Tim Pennington

Independent Non-Executive Director
(appointed 3 March 2026)

Tim is an experienced finance executive with a strong background in corporate finance, telecommunications and mergers and acquisitions. He currently holds non-executive roles with MTN Group Limited, Africa's largest mobile network operator and one of its listed subsidiaries. Tim has held senior finance leadership roles at major international telecommunications companies, including Chief Financial Officer of Millicom International Cellular S.A. and Cable & Wireless Communications plc, and he was Group Finance Director for Cable & Wireless PLC. Earlier in his career, Tim served as Chief Financial Officer of Hutchison Telecom International and Finance Director at Hutchison 3G (UK), the British mobile business of Hutchison Whampoa. He also brings investment banking experience from his time as a director at Samuel Montagu & Co. Limited and as Managing Director at HSBC Investment Bank within its Corporate Finance and Advisory Department.

Tim chairs the Audit and Risk Committee (from 1 April 2026) and is a member of the Remuneration Committee (from 1 April 2026).

Audit and Risk Committee Report

We are pleased to present the Audit and Risk Committee ("A&RC") report for the Financial Year from 1 April 2025 to 31 March 2026 .

This report provides an overview as to how the A&RC operates, its activities during the year, and its role. The A&RC is a key part of the governance framework[23] to which the Board has delegated oversight of the following matters:

1. **Oversight of the integrity of the financial reporting process:**

- Monitoring the integrity of the financial statements including reviewing critical accounting judgements and estimates.
- Advising the Board as to whether the Interim Report and Annual Report are fair, balanced and understandable and provides the information necessary for shareholders to assess the performance, strategy and business model of the Group.

2. Oversight of the relationship with external auditors and the external audit process:

- Agreeing the audit strategy and assessing the effectiveness of the external audit process.
- Reviewing reports from the external auditors including relating to the financial statements and internal control systems.
- Making recommendations to the Board in respect of the external auditors' appointment and remuneration.
- Reviewing the independence and objectivity of the external auditors.

3. Oversight of the risk management processes:

- Reviewing the output from the bi-annual risk register review process and ensuring mitigating actions are monitored and implemented.
- Review of fraud matters and compliance policies, and oversight of whistleblowing arrangements.

4. Oversight of the systems of internal control, including the Internal Audit function:

- Reviewing the effectiveness of the Group's internal control processes.
- Assessment of the efficiency and effectiveness of the internal audit function.
- Approval of the annual programme of internal audit reviews and Internal Audit budget.

The A&RC reports to the Board on the activities of the A&RC and on any matters which it is considered that action or improvement is needed, making recommendations as to the steps to be taken.

Committee membership and meetings

In the Financial Year to 31 March 2026, the A&RC's members were Ashley Martin (Chair until 31 March 2026), Rita Estévez Luaña and Sofia Arhall (from 5 June 2025), with Suzi Williams and Richard Williams resigning effective from 5 June 2025. On 3 March 2026, Tim Pennington, who has extensive recent and relevant experience, was appointed as an independent director and on 1 April 2026 was appointed as Chair of the A&RC, following Ashley Martin reaching nine years in the role.

As Ashley Martin served as Chair of the A&RC until the end of the Financial Year (31 March 2026) with Tim Pennington assuming the Chairman role from 1 April 2026, both have signed this report. The Company Secretary acts as secretary to the A&RC.

[23] The Audit and Risk Committee's role and responsibilities are set out in its terms of reference, which are available on Zegona's website and from the Company Secretary.

The A&RC met six times in the Financial Year. A summary of the A&RC members' attendance can be found on page 45.

As required by provision 24 of the Code, the Board is satisfied that the Committee possesses competencies relevant to the sector in which Zegona operates. From a financial perspective, this comprises the outgoing Chair's experience from his previous roles as CFO of listed and private equity-backed businesses, as well as the incoming Chair's experience as CFO of telecommunications companies. Furthermore, the composition of the Committee is well balanced, with the digital media and consumer experience of Ashley Martin and the telecommunications knowledge of Tim Pennington being complemented by the technology expertise of Rita Estévez Luaña and Sofia Arhall.

The Group's Chief Financial Officer, Head of Internal Audit, Vodafone Spain's Chief Financial Officer and the External Audit Partner are invited to all the A&RC's meetings, and other participants are invited on relevant subject matters, as required.

In addition, the A&RC meets separately with the external auditors without Management present, and the Chair maintains regular, direct contact with the Chief Financial Officer, Head of Internal Audit, other members of the management team and the lead external audit partner outside of the formal meetings to discuss findings, updates and provide open feedback. The Committee also visited the Vodafone Spain offices in November 2025 to hold in person meetings with the Vodafone Spain Senior Management team.

The Chair reports formally to the Board on the key matters considered by the Committee, and minutes of those meetings are circulated to the Board. The Board considered the A&RC's effectiveness as part of its annual effectiveness evaluation – a process which confirmed the A&RC remains effective and provides robust challenge as evidenced through the meetings and areas covered during the Financial Year.

Activities during the Financial Year

Oversight of the integrity of the financial reporting process:

As well as monitoring the Term Loan B debt reporting statements, published quarterly, and the coverage that the Company receives from Analysts on an on-going basis, the A&RC ensures two meetings align with the financial reporting timetable, enabling it to review the interim financial report and the Annual Report on a timely basis. In these meetings, the A&RC considers, among other things, the accounting policies and practices adopted by the Group, the application of applicable reporting standards and compliance with broader governance requirements, papers detailing the approach taken by management to the key judgemental areas of reporting and the comments of the external auditors on management's chosen approach.

The A&RC also considered significant issues including Group materiality, whether the business remains a going concern and whether the Annual Report & Accounts give a fair, balanced and understandable view of the Group's affairs for the year in question.

Key judgements and estimates

The key judgements and estimations impacting these financial statements can be found on page 92 in the notes to the Consolidated Financial Statements. A summary of these, and how the judgements were evaluated, is included below:

Going concern and viability assessment

The A&RC reviewed the going-concern assumption and the assessment forming the basis of the longer-term viability statement, and reviewed the conclusion that a three-year assessment period remains appropriate for the viability period.

Actions taken

By reviewing Management's work to assess Zegona's resilience to its principal risks though reference to the Group's Risk Register and interrogating the work performed to account for a range of plausible risks facing the Group, the A&RC confirmed the going-concern status derived from the underlying assumptions around cash flows. The assumptions and mitigating factors were challenged, alongside interrogation of Management's judgments around the Group's ability to meet liabilities as they fall due for the Going Concern period, through to 31 December 2027. This included the Committee assessing whether these judgements were consistent with the Group's strategic position and stated risks, as well as reviewing the proposed disclosure around going concern in the Annual Report. This review also included evaluating the reverse stress test process to evaluate the quantum of decrease in trading performance required to result in breaching the debt covenants.

Impairment

Judgements in relation to the review of carrying value of tangible and intangible assets for signs of impairment are mainly impacted by assumptions driving the calculation of the value in use of the Group's business. The main inputs for these are the progress against the long-term business plans and the macroeconomic and related valuation model assumptions. See note 12. Impairment in the consolidated financial statements.

Actions taken
The A&RC reviewed the 3 year plan for the Group with the Group Chief Financial Officer to discuss the appropriateness of assumptions made, including:

- The financial performance of Vodafone Spain in the historical period and going forward and the achievability of the plan;
- Management's valuation methodology;
- The potential impacts of market factors and interest rate changes on the Group's businesses and their business plans; and
- The appropriateness of the long-term growth rate assumed for the Group's businesses at the end of the plan period and the discount rates assumed in the valuation of the Group's businesses.

Revenue recognition
As a key area of audit risk, given the inherent complexity of IFRS 15 accounting requirements and the underlying billing and related IT systems, and as this forms part of the externally reported KPI metrics, this is an area of focus for the A&RC.

Actions taken
The accounting policy for and related disclosure requirements of IFRS 15 that have been presented in the Annual Report were reviewed by the A&RC (see note 2. Material Accounting Policies in the consolidated financial statements). In the regular quarterly meetings, the control environment was reported upon by exception, with the controls in place around automated billings giving the AR&C comfort. The A&RC also carefully considered the scope of EY's planned revenue audit procedures and their related audit findings and observations at its meetings in December 2025 and March 2026.

Network asset disposals and acquisition
As a result of the transactions that occurred in the Financial Year, Management exercised judgement in the classification and reviewing of their accounting treatment. The FiberPass transaction was classified as an "Investment in Associate" and assets related to the PremiumFiber transaction were disclosed as "Held for sale" in the prior financial period. The treatment of these transactions in the current year is outlined in notes 7 and 13.

Actions taken
PwC was consulted on the accounting for the underlying transactions to provide expert advice. Accounting memos, outlining the key accounting and disclosure impacts in relation to the transactions in the consolidated financial statements, were reviewed by the A&RC prior to the year end.

Actions taken
During the Financial Year, the A&RC reviewed the accounting memo outlining Management's accounting treatment of the PPA relating to the acquisition of Sercom, including the application of IFRS 3, the relevant assumptions and judgements underlying the fair-value assessments and the support for the resulting goodwill. To further support the accounting treatment, a report was obtained from BDO Spain which detailed the allocations and rationale for the key areas of judgement.

Incentive schemes
Incentive schemes rely on judgements and assumptions around future performance and estimates over probabilities of future outcomes.

Actions taken
In order to gain comfort over the accounting for the Group's incentive schemes, the A&RC reviewed Management's summary of Deloitte UK's Monte Carlo valuations, to provide comfort over future share price evolution, and also assessed the support and rationale behind Management's probability analysis.

Expected credit loss
Expected credit loss provisioning relies on judgements and assumptions concerning future performance of third parties and estimates over probabilities of future outcomes.

Actions taken
In order to gain comfort over the accounting for the Group's expected credit loss provisions, the A&RC reviewed Management's summary of key provisions, the approach taken by Management in their assessments such provisions and any external advice received (as appropriate) that was considered by management, in order to assess the support and rationale behind Management's probability analysis where required.

FRC Review

The FRC carried out a review of the company's annual report and accounts for the 15-month period ended 31 March 2025, in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. They concluded their review, with no questions or queries bring raised at this stage, but did provide some areas for improvement to the existing reporting, which we

have included in this year's report. The FRC require us to acknowledge their review was based solely on the annual report and accounts and does not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. Their letter provides no assurance that the annual report and accounts are correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The review was undertaken on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on it by the company or any third party, including but not limited to investors and shareholders.

Oversight of the relationship with external auditors and the external audit process

In accordance with the CMA Order 2014, the Group is required to tender the audit engagement at least every 10 years. During FY25 EY were appointed as the Group's audit firm and Marcus Butler as lead audit partner.

The A&RC is responsible for overseeing the relationship with, and the performance of, the external auditors, EY, who are engaged to conduct an external statutory audit and opine on the annual financial statements as well as undertake a half year review.

The A&RC considered and approved the scope of the half-year review, which was to asses whether the Company's half-yearly financial report for the six-month period ended 30 September 2025 had been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

As part of the full year audit process, the A&RC reviewed the scope of the external audit, and the audit plan presented by EY, and reviewed and concurred with the materiality proposed by the auditors.

The AR&C reviewed reports provided by the external auditors, outlining the audit work performed and conclusions reached on key risk areas and on the disclosures in the Annual Report & Accounts. The A&RC agreed with the key risk areas identified by the external auditors.

The Committee approved the external auditors' terms of engagement and approved audit fees for the year ended 31 March 2026 of €3,454k (FY25: €2,842k). The committee also reviewed the effectiveness of the FY25 external audit process and deemed it was undertaken in a professional and effective manner.

In order to safeguard the independence of the relationship, the A&RC maintains a policy that requires the prior approval of non-audit services by the A&RC and the Chief Financial Officer to ensure that such services do not impair the external auditor's independence or objectivity. During the Financial Year covered by these financial statements, €0.5m (FY25: €1.4m) of non-audit fees were paid to EY, principally relating to other assurance services in relation to debt raising activities.

Additionally, the external auditor's independence and objectivity is further safeguarded by the A&RC policy of prohibiting the employment of any current or former employee of the external audit firm and those with any immediate family members who are employees of the external auditors. This policy is compliant with the revised FRC Ethical Statement Standard. The independence of the external auditor is regularly reviewed and the A&RC is satisfied that the external auditor is independent.

Oversight of the risk management processes

Risk Management

The Group's risk management framework incorporates a risk assessment that identifies and assesses strategic, operational, financial and compliance risks; mitigating controls; and appropriate corrective actions. This assessment is regularly reviewed by Zegona's senior management and was reviewed and discussed by the A&RC three times during the Financial Year. See the Risks section, page 12, for details on the Group's identified risks.

During the Financial Year the following changes were made to the risk processes, activities and governance:

1. Successful completion of an ISO Audit;

2. Implementation of risk management software;

3. Establishment of Vodafone Spain risk committee, including representatives of Zegona Senior Management Team as well as the Vodafone Spain Senior Management Team and the Risk team. This committee reports directly to the A&RC.

The Group's internal control system includes detection, prevention and correction controls for the different identified risks, including:

- Vodafone Spain level controls environment, which grants a high level of comfort given the retention of a number of acquisition control activities that provide additional support and transparency (the status of this environment is reported on by exception at each A&RC meeting);

- Systems and procedures to identify, assess, control and monitor principal and emerging strategic, reporting, commercial, financial and regulatory risks (which are regularly considered by the Board);
- A team of professional advisers with legal, capital market, M&A, accounting, regulatory and public relations expertise, providing advice to Management and the Board;
- A schedule of Matters Reserved for the Board to ensure that the Board is involved in all critical decisions;
- A comprehensive system of budgeting, forecasting and monthly reporting, and rigorous analytical review procedures;
- A comprehensive risk register, reviewed at least twice a year; and
- Segregation of duties for all critical financial reporting and operational tasks.

Through the above risk controls the A&RC has evaluated the Group's current risks and is satisfied that these have been appropriately addressed.

Oversight of the systems of internal control, including the Internal Audit function

The Board is responsible for establishing and maintaining the Group's system of internal control. It has designated the A&RC to oversee the annual review of this system's adequacy and effectiveness, including the risk management framework, the compliance framework and the work of the internal audit function.

The Group's internal control systems are designed to address the risks it is exposed to, to ensure the integrity of our financial and accounting information, promote accountability and minimise the risk of fraud. The procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable but not absolute assurance against material misstatement or loss. These internal controls are reported on by exception in each A&RC meeting.

Internal audit

Vodafone Spain's strong and effective internal audit function has been reviewed and its Charter was approved by the A&RC, and this function forms an integral part of the Group's control matrix. During the Financial Year the AR&C has assessed the Internal Audit function through the quarterly meetings and other ad hoc conversations, and found the quality, experience and expertise to be sufficient. In addition, for effective management of risk and controls, different functions across the company are involved in the risk management process, with specific roles and duties in a structure based on the "three lines of defence" model:

- the first line of defence is led by the operational side of the business, which establishes and maintains appropriate structures and processes for the management of operations, risk and controls, amongst other functions;
- the second line of defence is provided by the risk, control and compliance functions. These have specific remits defined by management, but are separate from the first line of defence, and provide complementary expertise, support and monitoring of processes under control and direction of management; and
- the third line of defence is the Internal Audit team, which provides independent assurance to the Board, the A&RC and senior management concerning the effectiveness of management of risk and control, through a risk-based approach.

The Head of Internal Audit presented the department's budget and the plan for FY27 to the A&RC, Group CFO and Chair of the A&RC before these documents were formally approved by the A&RC.

During the Financial Year, the Head of Internal Audit presented summaries of the six internal audit reviews undertaken during the Financial Year across a number of operational areas covering consumer and enterprise business activities. The reports and resulting action points were all circulated to the A&RC. During FY27 the action points from previous audits will be reported to the A&RC and the following main areas have been proposed for review: cyber security, contract management within the new FiberCos, parental level governance and control framework, digital customer journey, customer onboarding procedures and acquisition related areas.

Additional areas of investigation

In addition to the standing agenda items, throughout the year the A&RC undertakes "Deep Dives" on selected topics, facilitated by internal or external subject matter experts. The following Deep Dives were presented to the A&RC during the year:

- Cyber Security, presented by the Vodafone Spain Director of Technology and Operations
- Data Security presented by the Vodafone Spain Head of Data Protection
- Accounts Receivables, presented by the Vodafone Spain Finance Director
- the Enterprise Billing process, presented by the Vodafone Spain Finance Director

Conclusion

Through all the work streams outlined above, the Board, with advice from the A&RC, has reviewed the effectiveness of the internal control system throughout the Financial Year and up to the date of this report, and are comfortable that the environment supports the production of robust and accurate reports.

Focus for FY27

The A&RC's key activities proposed for the upcoming financial year alongside the "business as usual" activities will include, but not be limited to:

- provide a detailed induction to our new Chairman, Tim Pennington;
- oversee the accounting and operational impact of the FiberCo arrangements
- oversee the continued enhancement of our financial systems and monitoring of internal controls;
- identify and participate in Deep Dives into areas of significance for the Group; and
- consider the provision 29 of the FRC Corporate Governance Code coming into effect on 1 January 2026, where applicable to the Company and relevant to the Committee's activities

The previous and current A&RC Chairs will be available at the AGM to answer any questions any shareholder may have in relation to the activities of the A&RC in the Financial Year and in the period to the 2026 AGM.

Ashley Martin
Chair of the A&RC to 31 March 2026

Tim Pennington
Chair of the A&RC from 1 April 2026

Nomination Committee Report

Nomination Committee Report

On behalf of the Board, I am pleased to present the Report of the Nomination Committee (referred to in this section as the "Committee") for the year ended 31 March 2026.

This sets out the Committee's principal activities and decisions. Historically, the Nomination and Remuneration committees were combined, but we separated them in June 2025, and changed the constitution to ensure appropriate focus on each area and for improved governance.

The role of the Committee

The Committee is responsible for nomination matters including:

- reviewing the structure, size, and composition of the Board and its committees;
- making recommendations to the Board regarding future Board composition and new appointments;
- succession planning for executive directors, non-executive directors and other senior executives;
- ensuring the appropriate balance between executive and non-executives directors;
- ensuring the Board has the appropriate balance of skills, experience, independence, and knowledge to discharge its duties effectively;
- overseeing training and coaching needs, where appropriate, and ensuring directors have adequate time to discharge their duties;
- overseeing the induction and evaluation of the Board, including reviewing annual director re-election by shareholders; and
- overseeing the diversity, equity and inclusion of the Board and of senior appointments.

Membership, attendance and key activities during the Financial Year

The members of the Committee are Suzi Williams (Chair), Sofia Arhall and Tim Pennington (from 1 April 2026). All members of the Committee are independent. Ashley Martin served as a member of the Committee during the Financial Year but stepped down on 1 April 2026. During the Financial Year, the Committee formally met five times (twice whilst still combined with the Remuneration Committee) and has subsequently met once in the current financial year, supported by a number of full board discussions. The Company Secretary attends these meetings and Executive Directors are invited at the Chair's discretion. The scheduling of the formal Committee meetings is designed to be aligned with the Committee's recurring annual activities, including overseeing succession planning for the Board and key members of the senior management team, taking into account expertise and diversity, and reviewing the annual Nomination Report contained within the Annual Report.

Board Appointments and Diversity

Ashley Martin, the previous chair of the A&RC, reached nine years of service in February 2026. Knowing of this anniversary, the Committee commenced a search process in 2025 for the appointment of a further independent non-executive director who has recent and relevant experience to chair the A&RC. The process, assisted by Russell Reynolds Associates, was extensive and, following assessment of a number of candidates, we announced that Tim Pennington was selected and appointed as an

Independent Non-Executive Director on 3 March 2026 in time for him to have a period of handover from Ashley Martin, before Ashley stepped down from his roles on the Committees and subsequently the Board.

The process for the appointment was lengthy and thorough to ensure the right fit for the Board. During the process, the Committee reviewed a shortlist with Russell Reynolds, interviewed a number of candidates and then undertook further interviews with the preferred candidates. Following that process, Tim Pennington, who brings outstanding experience in Telecoms, corporate finance, mergers and acquisitions as well as experience in chairing audit committees, was selected. Tim was appointed as an independent non-executive director and to the A&RC on 3 March 2026 and to the Nomination and Remuneration Committees on 1 April 2026, as well as being appointed chair of the A&RC on 1 April 2026 when Ashley Martin stepped down as A&RC chair.

Following these appointments, the Zegona board is now 38% female and 25% international (non-British) and the non-executive directors are considered independent by the Board. When Ashley Martin steps down from the Board at the 2026 AGM, the Zegona board will be 43% female and 29% international (non-British) and the non-executive directors are considered wholly independent with the exception of Richard Williams, whose, despite serving for more than nine years, continues to bring strong independent challenge as well as his strategic and industry knowledge being considered significantly valuable to the Board.

In designing the profiles for these most recent appointments, the Committee carefully selected required skills and competencies taking into consideration both insights from the most recent board review, plus further requirements now relevant as the owner of Vodafone Spain. Over an extended period, the Committee and Board considered a long list of candidates with the advice of Russell Reynolds Associates, with whom the Company has no other relationships.

Board Composition and Independence

Against the backdrop of a positive Board evaluation process, the Committee reviewed Board structure, composition, independence and tenure, including the roles of the executive leadership team.

As described above, Tim Pennington was appointed to the Board and the A&RC on 3 March 2026 and, from 1 April 2026, succeeded Ashley Martin as Chair of the A&RC. He was also appointed to the Remuneration and Nomination Committees from that date.

Importantly the Board continues to support Zegona's combined Chair and CEO structure, believing it enables efficient decision-making and entrepreneurial agility while continuing to benefit from robust oversight and challenge from the non-executive directors. The Board believes this structure remains appropriate for the Company's current stage of development and supports the delivery of long-term shareholder value.

The Board considered the position of Richard Williams following nine years' service as a non-executive director in FY25. The Committee believes his experience and knowledge of the business continue to provide valuable insight and challenge in Board discussions, particularly alongside newer non-executive director colleagues. Richard stepped down from his committee roles during FY25 as part of the Board's ongoing succession planning and committee refreshment process.

The Board also considered the position of Ashley Martin, who reached nine years' service as a non-executive director in February 2026. Following the appointment of Tim Pennington shortly before the end of the Financial Year, Ashley continued to chair the A&RC through the completion of the FY26 period and continued to serve on the A&RC through the FY26 Results process and this Annual Report, with Tim Pennington assuming responsibility for chairing the A&RC from 1 April 2026. Accordingly, both Ashley Martin and Tim Pennington have signed the A&RC report. To support an orderly transition and handover of responsibilities, Ashley Martin will remain on the Board until the AGM on 30 July 2026, following which he will step down as a director of the Company.

During the Financial Year, the Group also strengthened a number of senior leadership, strategy, finance and governance roles to support the next phase of the Company's development and growth, and has begun discussions around succession planning across the business.

Induction, Training and Development

The ongoing training and development requirements of the Board members are regularly reviewed with further training made available to address any development needs to update their skills, knowledge and familiarity with the Company. A detailed induction plan is provided for each new director.

Board Evaluation

All directors take part in the annual evaluation of Board and Board Committee performance and effectiveness. This was again done in 2026 via a Board questionnaire which was collated on an anonymised basis by the Chief of Staff and presented to the Committee for discussion. The Committee subsequently presented and discussed the results at a Board meeting for actions to be implemented. Conclusions of the exercise were positive and constructive.

Time Commitment

The expected time commitment of all directors is set out in writing in their letters of appointment. Directors provide their external commitments to establish that they have sufficient time to meet their Board responsibilities. Any proposed external Board appointments are approved by the Board and consideration is given to potential conflicts and how these can be managed. This is reviewed on a regular basis. Further details on the Board's external appointments can be found on pages 48 to 50. The Committee and the Board are comfortable that all Board members have sufficient capacity to serve on the Company's Board.

Advisers

The Committee received input and advice from external advisers, including Russell Reynolds Associates on specific topics during the Financial Year covered by this report.

Conclusion

The Committee is satisfied that the Board and its committees have the appropriate balance of skills, experience, independence and diversity to provide effective leadership and governance to the business. We are committed to maintaining and further improving this balance. To this end, we are delighted to welcome Tim Pennington as the new A&RC Chair.

The Committee will continue to review Board composition, skills and experience and other matters regularly to ensure the ongoing effectiveness of the Board.

I look forward to updating you again at the next opportunity.

Suzi Williams
Chair of the Nomination Committee

Remuneration Committee Report

Chair's letter

On behalf of the Board, I am pleased to present the Report of the Remuneration Committee (referred to in this section as the "Committee") for the year ended 31 March 2026.

FY26 was the first full year of operating Vodafone Spain following its transformational acquisition in the prior period, and a year in which the management team has continued to deliver strong operational and financial performance. This report outlines the key decisions made by the Committee during the year, and how we have implemented the Directors' Remuneration Policy (the "Policy") which was approved by 97% of shareholders at the 2025 AGM.

Remuneration outcomes

There were no increases to the salaries of the Executive Directors during the year ended 31 March 2026.

Under the Policy, the Executive Directors are entitled to receive a maximum annual bonus of up to 100% of salary. The Committee set stretching performance targets at the start of the year linked to revenue growth, EBITDAaL less capex, strategic transactions including the FiberCo arrangements with Telefonica and MasOrange, refinancing of the Term Loan A commitments, and governance and ESG priorities. The performance of the team and the business was strong during the year, with the strategic and financial targets substantially met in full. As a result, the annual bonus paid out at 92% of maximum. The Committee determined that this outcome was a fair reflection of business performance during the period and of the shareholder experience, with a total shareholder return over the last 12 months of 179%. As a result, the Committee did not exercise discretion in respect of the outcome. Further details on the precise performance targets and performance against these are disclosed on page 65.

As disclosed last year, the fourth Calculation Period under the Management Incentive Scheme ("MIS") commenced on 15 October 2024 and the awards are exercisable from October 2027 to October 2029. Accordingly, there is no MIS outcome to report in respect of FY26.

Implementation for FY27

The Committee has proposed to leave the salary for the Chairman & CEO unchanged, and increase the COO's salary by 9%, effective from 1 May 2026. The salary for the Chairman & CEO remains £710,000, and the COO will receive £550,000 increasing to £600,000 from 1 May 2026. Their maximum bonus opportunity will remain 100% of salary. The measures will comprise a combination of strategic, financial and governance objectives, with performance against targets to be disclosed retrospectively in the FY27 Directors' Remuneration Report, consistent with previous years.

Non-executive Director fees

Non-Executive Director fees were reviewed during FY26 to reflect the increased demands of their roles following the Vodafone Spain acquisition. Details are set out on page 68.

Conclusion

I would like to take the opportunity to thank shareholders for their continued support. I look forward to your support at the upcoming AGM in respect of the advisory vote on this remuneration report.

Suzi Williams
Chair of the Remuneration Committee

Executive pay at a glance

Element	Purpose	Current Policy	FY26 Implementation	FY27 Implementation
Base salary	To reflect market value of the role and individual's performance, responsibility, skills, experience and contribution and enable Zegona to recruit and retain Executive Directors of sufficient calibre to drive Zegona's ambitions.	Typically reviewed every 12 months. Base salary increases are generally in line with inflation or those of salaried employees as a whole. In exceptional circumstances (including a material increase in job size or complexity), the Committee has discretion to make appropriate adjustments.	Salaries of £710,000 (Chairman & CEO) and £550,000 (COO).	Chairman & CEO's salary to remain the same COO's salary proposed to increase from 1 May 2026 to £600,000
Pension	To provide a market-competitive pension, with a contribution rate that is the same as the majority of the Zegona workforce.	Pension contributions are made to the individual's private pension arrangements or paid to them in cash in lieu of such arrangements. Executive Directors receive a pension contribution that is the same as the majority of the Zegona workforce, currently 19% of base salary.	19% of base salary.	No change.
Other benefits	To provide market competitive benefits.	Benefits may include car allowances, personal tax advice, private medical insurance, critical life and death in service cover. Benefits may vary by role and individual circumstances and will be reviewed periodically.	Benefits included car allowance, personal tax advice, private medical insurance, security and secure travel costs, and death-in-service cover.	No change.
Annual cash bonus	To incentivise delivery of Zegona's annual financial and strategic goals.	Performance is measured on an annual basis for each Executive Director in respect of each financial period. The maximum annual bonus available is 100% of base salary per annum. The Committee retains discretion to apply malus or clawback provisions.	Bonus paid at 92% of maximum (92% of salary), reflecting strong performance against strategic, financial and governance targets.	Maximum opportunity of 100% salary. Performance measures will be a combination of targets: strategic (10%), financial (80%) and ESG (10%)
Management Incentive Scheme (MIS)	To drive performance, aid retention and ensure the interests of Executive Directors and senior management are closely aligned with shareholders over the long term.	The Committee may allocate Management Shares in Zegona Limited to Executive Directors or senior management. Participants are entitled in aggregate to receive up to 15% of the growth in value of Zegona subject to shareholders' 5% per annum preferred return. The incentive may be exercised between 3 and 5 years after each renewal or on the occurrence of certain specific events.	The fourth Calculation Period commenced on 15 October 2024. Renewal of the MIS was approved by 95% of shareholders at the 2025 AGM. Awards are not exercisable until October 2027. No MIS outcome in FY26.	No change. Awards continue under the fourth Calculation Period.

Directors' Remuneration Report

Zegona's Remuneration Strategy drives its Remuneration Policy

Since Zegona was first established, the Committee has followed a consistent remuneration strategy that closely aligns the Executive Directors with Zegona's shareholders, drives the Company's strategy and has been central to its success. This strategy is based around four key principles – namely, that executive remuneration is:

1. **Simple** – Since Zegona was first established, Executive Directors have received the same remuneration elements as the rest of the Zegona employees – base salary, annual bonus, pension contribution and other benefits – as well as being eligible under a single and consistent long-term incentive plan based on a single value creation metric.
2. **Transparent** – Each year, there is full and detailed disclosure in the Directors' Remuneration Report of each component of remuneration.
3. **Focused on Performance** – Executive Directors receive a mix of remuneration which is geared towards a higher percentage of variable pay, which means the opportunity for any significant reward is heavily weighted to the long-term incentive plan, which is entirely based on the creation of shareholder value.
4. **Fully aligned with Shareholders** – Remuneration for the Executive Directors is heavily weighted to the long-term incentive plan, which pays nothing to participants unless the Executive Directors deliver a threshold return to shareholders over a three- to five-year period or on the occurrence of certain specific events, including the sale of Zegona's main assets and return of net proceeds to shareholders, and only pays a significant award if they materially outperform in the creation of shareholder value.

The Committee has always ensured these four key principles form the basis of Zegona's Remuneration Policy as well as its application to Executive Directors, and this approach has historically received strong support from shareholders. The 2025 Policy was approved by 97% of shareholders at the 2025 AGM, including in respect of offering the core elements of salary, pension, benefits, annual bonus and Management Incentive Scheme.

Illustrative Application of the Remuneration Policy

The charts below show an illustration of the level of remuneration that each Executive Director could receive in the Financial Year to 31 March 2027, which is the second year of the 2025 policy. The charts are presented in sterling because this is the currency that the Executive Directors' pay is set in. The charts show illustrative remuneration under three scenarios:

1. **Minimum performance:** This scenario only includes the fixed elements of remuneration: base salary effective from 1 April 2026 (including pay rise where applicable), and benefits in line with those reported in respect of FY26 and pension rate for the year ended 31 March 2026 of 19% of salary.
2. **On-target performance:** This scenario includes the fixed elements of remuneration as above, plus a bonus that reflects achievement of 50% of the maximum opportunity. No amounts have been included in respect of the Management Shares because they are not exercisable until FY28.
3. **High performance:** This scenario includes the fixed elements of remuneration as above, plus a bonus that reflects achievement of 100% of the maximum opportunity.

Illustration of remuneration policy: Chairman & CEO (£000)

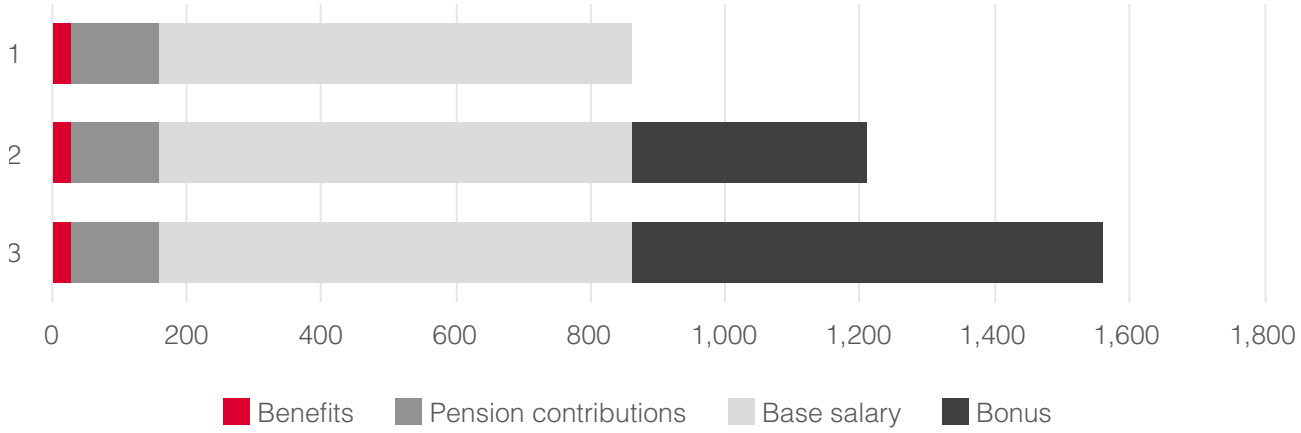
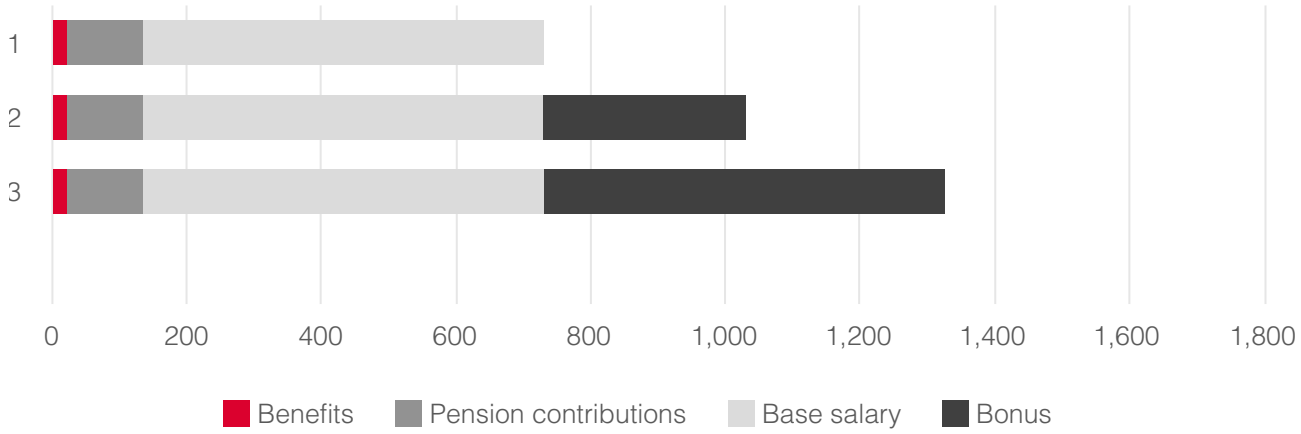


Illustration of remuneration policy: COO (£000)



Directors' Remuneration Report

All disclosures in this section are unaudited unless otherwise stated. The Annual Report on Remuneration gives details on the amounts earned in the Financial Year ended 31 March 2026 and how the Directors' Remuneration Policy will be applied in FY27. This remuneration report will be subject to an advisory vote at the 2026 AGM.

FY26 Executive Directors' Remuneration Summary (audited)

In the interests of clarity, since the Executive Directors' salaries are set and paid in sterling, the table has been presented in both sterling and euros (Zegona's functional currency).

Executive Directors (sterling)

	Eamonn O'Hare (Chairman & CEO)		Robert Samuelson (COO)	
	12m to 31 Mar 2026 (£)	15m to 31 Mar 2025 (£)	12m to 31 Mar 2026 (£)	15m to 31 Mar 2025 (£)
Base salary	710,000	806,500	550,000	614,500
Pension allowance	134,900	154,660	104,466	118,180
Benefits	24,651	28,758	12,108	24,894
Total fixed pay	**869,551**	**989,918**	**666,574**	**757,574**
Annual cash bonus	646,100	840,000	498,420	648,000
Total variable and fixed pay	**1,515,651**	**1,829,918**	**1,164,994**	**1,405,574**
Management Incentive Scheme	—	129,280,073	—	64,640,037
Total	**1,515,651**	**131,109,991**	**1,164,994**	**66,045,611**

Executive Directors (euro)

	Eamonn O'Hare (Chairman & CEO)		Robert Samuelson (COO)	
	12m to 31 Mar 2026 (€)	15m to 31 Mar 2025 (€)	12m to 31 Mar 2026 (€)	15m to 31 Mar 2025 (€)
Base salary	820,556	956,716	635,642	728,954
Pension allowance	155,906	183,466	120,733	140,192
Benefits	28,489	34,114	13,993	29,531
Total fixed pay	**1,004,951**	**1,174,296**	**770,368**	**898,677**
Annual cash bonus	746,706	996,455	576,031	768,694
Total variable and fixed pay	**1,751,657**	**2,170,751**	**1,346,399**	**1,667,371**
Management Incentive Scheme	—	153,359,285	—	76,679,643
Total	**1,751,657**	**155,530,036**	**1,346,399**	**78,347,014**

Components of remuneration: base salary

For details of salary increases awarded during the Financial Year please see page 60.

Components of remuneration: pension contributions

During the FY26 Financial Year, two Executive Directors received a pension contribution of 19% of their base salary, which was the same as the contribution available to the majority of the Zegona workforce. There will be no change to pension provision for FY27.

Components of remuneration: benefits

During the FY26 Financial Year, both Executive Directors received car allowances, personal tax advice, private medical insurance, costs for security and secure travel and death-in-service cover, which will continue in FY27 and are not deemed significant.

Components of remuneration: annual cash bonus

The Executive Directors were eligible to participate in the annual bonus with a maximum opportunity of 100% of salary. The bonus targets that applied and the performance against these are set out in more detail below:

Performance metric/target (weighting)	Outcome	Outcome achieved (% of max)
Strategic projects (45%)	Repayment of the Term Loan A commitments through TLB refinancing/bonds successfully completed on 31 July 2025	100%
	FiberCo arrangement with Telefonica closed 5 March 2026	100%
	FiberCo transaction with MasOrange closed 4 December 2025	100%
Delivering underlying total revenue growth (15%)	Revenue was €3,628m	100%
Delivering strong EBITDAaL less capex (30%)	EBITDAaL less capex was €763m	81%
Improve Board governance and demonstrate progress on environmental commitments (10%).	Progress has been made during the Financial Year, including the following key milestones: 1. Hire NED to chair Audit Committee - Tim Pennington appointed 3 March 2026. 2. Complete an external Board review during the financial year - as highlighted in the Corporate Governance Report, this has been deferred to the following year to include the new Chair of the Audit Committee in that process. 3. Continue to improve Board cadence and timely information flow to the Board.	80%
Overall outcome (% of max)		92%

As set out above, the overall outcome for the Executive Directors was equivalent to 92% of annual salary which corresponds to an annual cash bonus payment of £646k (€747k) and £498k (€576k) for the Chairman & CEO and COO respectively. The Committee determined that this outcome was a fair reflection of business performance during the Financial Year to 31 March 2026 and did not exercise discretion in respect of the outcome.

Components of Remuneration: Management Incentive Scheme

A key element of the Company's Remuneration Policy for the Executive Directors and senior management continues to be Management Shares in Zegona Limited, which were put in place when Zegona was founded and were designed to provide ongoing remuneration closely aligned with creation of value for shareholders.

The holders of the Management Shares are entitled to 15% of the growth in value of Zegona (plus shareholder returns) during a series of Calculation Periods, provided that ordinary shareholders achieve a 5% per annum Preferred Return[24] in each Calculation Period. Holders have the right to end each Calculation Period by redeeming 99% of their Management Shares at any time between the third and fifth anniversaries of the beginning of the Calculation Period, although a Calculation Period may also end upon certain specified events such as a winding up, takeover, or a change of control of Zegona, or if Zegona sells all or substantially all of its assets and distributes the net proceeds to shareholders.

Upon redemption, if the Preferred Return has been met, holders of the Management Shares receive 15% of the increase in value of Zegona (plus shareholder returns) in either Zegona ordinary shares or cash at the discretion of Zegona's Board at the time of the exercise on advice from the Committee in accordance with the articles of association of Zegona Limited. If the Preferred Return has not been achieved, no payment is made. It is currently anticipated that the exercise of Management Shares could result in management receiving ordinary shares, which, depending on the amount of value created, could potentially lead to management together increasingly being a significant shareholder.

Upon redemption of the Management Shares, a new Calculation Period automatically begins with the remaining shares retaining the entitlement to 15% of the growth in value of Zegona (plus shareholder returns) for the next Calculation Period, provided the Preferred Return is achieved over this period. The starting value against which the growth in value and the Preferred Return are calculated (the "Baseline") at the beginning of the new Calculation Period is set at the higher of the Market Capitalisation of Zegona, defined as the issued share capital multiplied by the 30-day VWAP, and the Net Shareholder Invested Capital on that date.

Each time a new Calculation Period begins, the renewal of the Management Shares' rights is subject to a vote by the Company's shareholders at the next Annual General Meeting ("AGM"). If shareholders representing 75 per cent or more of the shares vote against the resolution to renew at the AGM, the Management Shares are redeemed for no value. There was such a vote at the 2022 AGM to ratify the commencement of the third Calculation Period, with 98.03% of votes in favour, and a vote at the 2025 AGM to ratify the commencement of the fourth Calculation Period with 95% of votes in favour.

The Fourth Calculation Period

The fourth Calculation Period began on 15 October 2024. Management are entitled to share 15% of the surplus value (plus shareholder returns) above the baseline deemed market capitalisation as at 15 October 2024, being £2,514,763,995, as reported in detail in the FY25 Annual Report. Further details are set out in note 29 to the Consolidated Financial Statements.

Illustration of Scheme Value

To explain how Zegona's Management Incentive Scheme operates, we have set out below an illustration of how much value would be earned by the management team assuming a hypothetical exercise date of 31 March 2026, even though the Management Shares were not exercisable at that date[25]. The illustration assumes that the exercise was based on the dividends paid, the capital returned and the market value of Zegona's ordinary shares at the hypothetical exercise date and, since the deemed value created of £5,263,512,618 was higher than both the Preferred Return target and the net invested capital, the holders of the Management Shares would have received some payment.

[24] A 5% per annum return on a compounded basis on shareholders' net investment.

[25] The scheme will actually become exercisable either on 14 October 2027, or deemed to be at the date that certain specific conditions such as a takeover or a Board change of control occur as explained in note 29 to the Consolidated Financial Statements. At the date of this report, none of these conditions have occurred and the rights under this incentive scheme are not exercisable.

Base Value as at 15 October 2024 *		**2,514,763,995**
	At 31 March 2026 (£)	
Number of shares	228,633,802	
Average share price (£) **	17.13	
Deemed market capitalisation (£)	3,917,137,176	
Value returned to shareholders:		
Dividend (£) ***	1,225,616,806	
Capital returned (£)	120,758,636	
Total value created		**5,263,512,618**
Surplus in value per the incentive scheme		2,748,748,623
Split between:		
Management Shares	15 %	412,312,293
Ordinary Shares	85 %	2,336,436,330

* Calculated in accordance with Zegona Limited's Articles of Association as the Baseline Value at the Redemption date.

** Calculated in accordance with Zegona Limited's Articles of Association as the volume-weighted average mid-market price of Zegona's ordinary shares for the previous 30 trading days to 31 March 2026.

***includes Special Dividends.

Compensation for loss of office (audited)

No payment for loss of office was made in the Financial Year.

Payments to past directors (audited)

No payments for loss of office were made in the Financial Year.

Directors' interests in ordinary shares (audited)

The Committee intends to keep under consideration the need to adopt formal requirements or guidelines in connection with the building of shareholdings in Zegona by Executive Directors. During the Financial Year, no such formal requirements or guidelines were adopted, and the Committee remains of the view that no such requirements or guidelines are currently needed, given that the Executive Directors' interests are significantly aligned with shareholders through their participation in the MIS and their existing shareholdings, which are materially higher than the level of shareholding requirement typically observed in the market.

The shareholdings of the Directors at 31 March 2026 are set out below. There have been no changes in the shareholdings of the Directors from 31 March 2026 to the date of this report.

Director	Number of shares	% of issued share capital
Eamonn O'Hare	35,327,787	15.45 %
Robert Samuelson	16,686,277	7.30 %
Richard Williams	94,504	0.04 %
Ashley Martin	26,292	0.01 %
Suzi Williams	10,358	0.00 %
Rita Estévez Luaña	9,763	0.00 %
Sofia Arhall	5,841	0.00 %
Tim Pennington	—	— %

In addition, the Directors owned the following Management Shares in Zegona Limited:

	Participation in growth in value	Number of Management shares
Eamonn O'Hare	8.88 %	3,050
Robert Samuelson	4.44 %	1,525
Zegona Senior Mgmt.	1.69 %	580
Total		**5,155**

FY26 Non-Executive Directors' remuneration summary (audited)

The remuneration of the Non-Executive Directors was reviewed during the FY26 Financial Year to reflect the significant changes to the role during and following the acquisition of Vodafone Spain. Amounts paid during the Financial Year are detailed below.

From 1 October 2025, Non-Executive Directors receive a basic annual fee of £90,000 (previously £80,000). A fee of £30,000 is payable to the Chair of the ARC (unchanged) and the Chair of the Remuneration Committee (previously £10,000) and a fee of £15,000 (previously nil) is paid to the Chair of the Nomination Committee. A fee of £15,000 is payable to members of the ARC and Remuneration Committee (previously £10,000) with no fee payable for membership of the Nomination Committee.

In the interest of clarity, since the Non-Executive Directors' fees are set and paid in sterling, the table has been presented in both sterling and euros (the Group's functional and presentational currency).

Non-Executive Directors' fees (sterling)[26]

	12m to 31 Mar 2026 £	15m to 31 Mar 2025 £	15m to 31 Mar 2025 £
	Fee	Fee	One off payment
Richard Williams	115,000	112,500	30,000
Ashley Martin	127,500	125,000	40,000
Suzi Williams	122,500	116,667	30,000
Rita Estévez Luaña	110,000	75,822	na
Sofia Arhall *	91,726	na	na
Timothy Pennington **	8,333	na	na
Total	**575,059**	**429,989**	**100,000**

Non-Executive Directors' fees (euro)

	12m to 31 Mar 2026 €	15m to 31 Mar 2025 €	15m to 31 Mar 2025 €
	Fee	Fee	One off payment
Richard Williams	132,907	133,454	35,588
Ashley Martin	147,353	148,282	47,450
Suzi Williams	141,575	138,397	35,588
Rita Estévez Luaña	127,128	89,944	na
Sofia Arhall *	106,009	na	na
Timothy Pennington **	9,631	na	na
Total	**664,603**	**510,077**	**118,626**

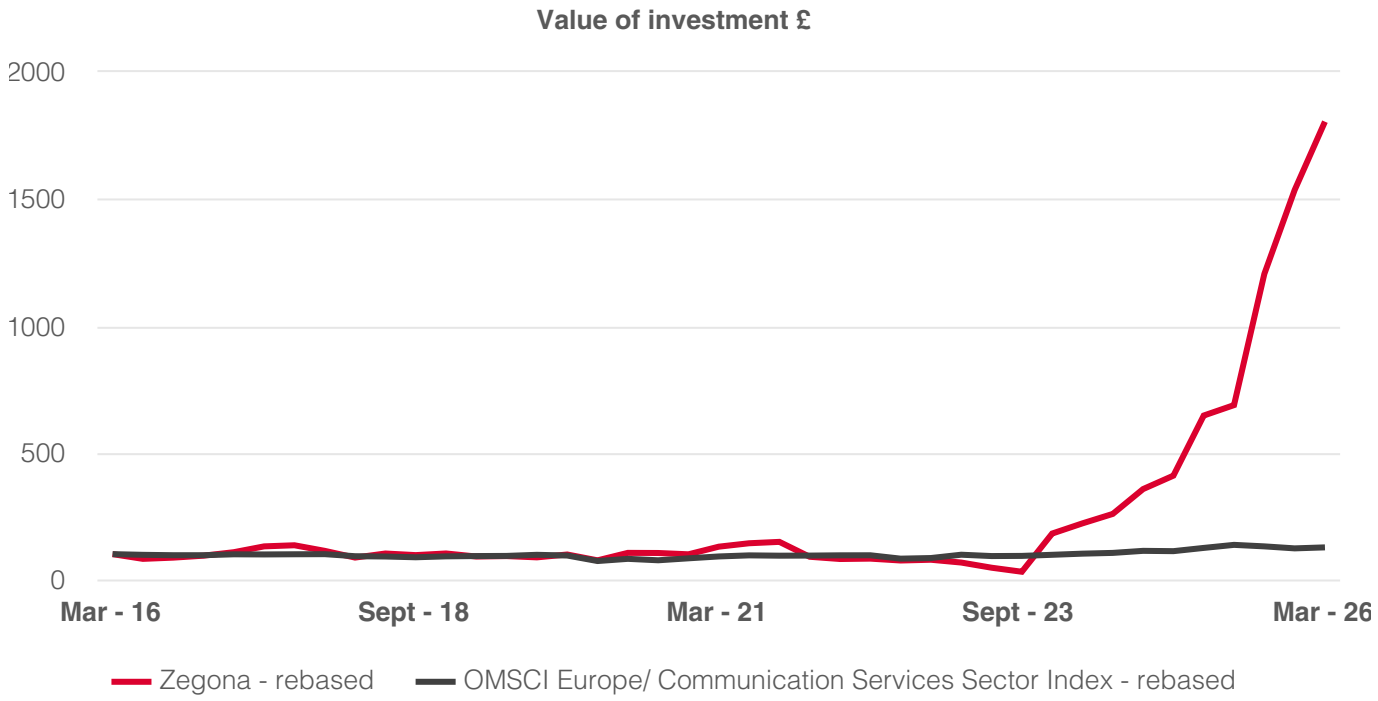
* Sofia Arhall was appointed to the Board on 24 April 2025.
** Tim Pennington was appointed to the Board on 3 March 2026.

Non-Executive Director remuneration is fixed and therefore not performance linked. As reported last year, in recognition of the additional time required from the Non-Executive Directors during FY25 as a result of the acquisition, it was determined appropriate to make a one-off payment in recognition of this.

[26] The Non-Executive Directors have not received any other form of remuneration during the current or prior periods.

Summary of total shareholder return and Chairman & CEO's remuneration

The total shareholder return graph below shows the value as at 31 March 2026 of £100 invested In the Company compared with £100 invested in the MSCI Europe/Communication Telecom Services Index over the last 10 years. The Committee considers this index to be appropriate for the purposes of this comparison because it includes mostly European telecommunications companies. The significant increase to March 2026 reflects the impact of the acquisition of Vodafone Spain, subsequent trading results and the repayment of external debt as well as the repayment of the EJSHLM financing (resulting in the reduction of share capital by 69%).



The single-figure remuneration for the Chairman & CEO over the same period, together with the outcomes of the respective annual bonus awards, is presented in the following table:

	2016	2017	2018[27]	2019	2020	2021[28]	2022[29]	2023[30]	15m to 31 Mar 2025*	FY26
Total remuneration €m	0.77	1.29	0.71	1.25	1.27	18.48	0.83	0.81	131.11	1.75
Annual bonus % of max.	— %	100 %	— %	94 %	75 %	— %	— %	— %	96 %	92 %

*FY25 figure is in GBP. EUR amount was €156m.

27 The Chief Executive and CEO did meet several indicators of achievement in relation to his 2018 bonus objectives, however he waived his 2018 bonus in order to maximise the cash raised from the equity placing in February 2019.

28 The Chief Executive and CEO met a significant majority of the indicators of achievement in relation to the 2021 bonus scheme, however in connection with the Return of Capital he agreed to waive any amounts due.

29 The Chief Executive and CEO met a significant majority of the indicators of achievement in relation to the 2022 bonus scheme, however in connection with the Return of Capital he agreed to waive any amounts due.

30 The Chief Executive and CEO met a significant majority of the indicators of achievement in relation to the 2022 bonus scheme, however in connection with the Return of Capital he agreed to waive any amounts due

Comparison of Directors' and employees' pay and relative importance of spend on pay

The following table compares the changes in each Non-Executive Director's pay over the past 5 years[31]. This excludes new hires and leavers in order to be comparable:

Non-Executive Directors salary and benefits % variance

	FY21	FY22	FY23	FY25	FY26
Eamonn O'Hare	— %	— %	(1)%	11 %	12 %
Robert Samuelson	— %	— %	15 %	14 %	10 %
Richard Williams	(8)%	— %	— %	120 %	28 %
Ashley Martin	— %	— %	— %	100 %	28 %
Suzi Williams	18 %	— %	— %	67 %	31 %
Rita Estévez Luaña*	n.a	n.a	n.a	n.a	45 %
Sofia Arhall **	n.a	n.a	n.a	n.a	n.a
Timothy Pennington***	n.a	n.a	n.a	n.a	n.a

* Rita Estévez Luaña was appointed to the Board on 28 June 2024.
** Sofia Arhall was appointed to the Board on 24 April 2025.

*** Tim Pennington was appointed to the Board on 3 March 2026.

The table below shows the relative importance of the spend on remuneration paid to or receivable by all employees in Zegona when compared to distributions to shareholders by way of dividend or share buyback:

	12m to 31 Mar 2026	15m to 31 Mar 2025
	€000	€000
Zegona only employee pay	9,159	5,181
Group employee pay	194,318	159,279
Returns to shareholders	1,552,514	0
Of which:		
Dividends	1,413,522	—
Capital return	138,992	—

[31] FY25 is annualised for comparison purposes.

Directors' Terms and Conditions

Service contract duration and Directors' appointment letters durations

Director	Contract duration	Notice period
Eamonn O'Hare	Unlimited*	12 months
Robert Samuelson	Unlimited*	12 months
Richard Williams	Unlimited*	6 months
Ashley Martin	Unlimited*	6 months
Suzi Williams	Unlimited*	6 months
Rita Estévez Luaña	Unlimited*	6 months
Sofia Arhall	Unlimited*	6 months
Tim Pennington	Unlimited*	6 months

* Under the terms of the service agreements, these appointments are contingent on annual re-election by shareholders and completion of the annual Board effectiveness review.

Other than payments for notice periods, the service agreements contain no entitlements to termination payments. There are no malus or clawback provisions in respect of base salary, pension contributions or benefits. The Committee retains discretion to apply such provisions in the case of any bonus award paid to an Executive Director. No malus or clawback has ever applied to bonus payments. All Directors' service contracts and letters of appointment are available for inspection at Zegona's registered office.

External appointments

Executive Directors are allowed to accept external appointments with the consent of the Board as long as these are not likely to lead to conflicts of interests or significant time commitments. Executive Directors are allowed to retain the fees paid.

Reappointment

Under the terms of the Company's Articles of Association, all Directors will be proposed for re-election at the 2026 AGM. All Board members have service contracts or appointment letters, and details of the unexpired terms of these service contracts or appointment letters are set out above.

Implementation of Directors' Remuneration Policy in FY27

For FY27, there is no increase proposed for the CEO & Chairman and an 11% salary increase has been proposed for the COO.

The maximum bonus opportunity for FY27 will remain 100% of salary. The performance measures will be:

1. Strategic (10%)
2. Financial (80%) including:
    i. Delivering revenue growth
    ii. Delivering Business EBITDAaL less capex targets
3. Governance and ESG initiatives (10%)

Targets are commercially sensitive and will be disclosed retrospectively in the FY27 Directors' Remuneration Report, consistent with previous years.

Committee Governance

The role of the Committee

The role of the Committee is to determine the remuneration policy and packages for Executive Directors and senior executives. When setting and operating the policy, the Committee aligns reward to performance to promote the long-term success of the Group and has regard to policies and practices relating to workforce remuneration, the experiences of other stakeholders and alignment with purpose, strategy and culture. To facilitate this remit, the Committee is provided with information and context on pay, benefits and incentive structures in place across the Group to support its decision making.

Committee Membership and Attendance

The members of the Committee are:

1. Suzi Williams (Chair).
2. Ashley Martin (until 1 April 2026).
3. Rita Estévez Luaña.
4. Tim Pennington (from 1 April 2026).

All members of the Committee were, whilst serving on the Committee, independent. Ashley Martin reached nine years of service in February 2026 and stepped down from the Committee on 1 April 2026 but was considered independent by the Board during this short period pending Tim Pennington's appointment in his place.The General Counsel and Company Secretary attend the meetings and Executive Directors are invited at the Chair's discretion.

Key activities in FY26

The scheduling of the formal Committee meetings is designed to be aligned with the Committee's recurring annual activities, including: setting of bonus metrics and evaluation of performance against them; and reviewing the annual Remuneration Report contained within the Annual Report.

In addition to the matters discussed above, since the last Remuneration Committee Report, the Committee has also:

- Reviewed the remuneration package for the Executive Directors and management team for FY27;
- Reviewed performance against bonus criteria;
- Reviewed the recommendations arising from the 2025 Board effectiveness review and, where appropriate, proposed actions to address those recommendations;
- Set performance criteria in respect of the FY27 Financial Year; and
- Reviewed workforce remuneration and its alignment to the Group's purpose, values and strategy.

Advisers

The Committee received input and advice from external advisers on specific topics during the Financial Year covered by this report. The Committee formally engaged PwC LLP's ("PwC") as an adviser in the Financial Year. The Committee's decision reflected the quality and objectivity of the independent advice that PwC had provided to the Committee on remuneration matters during the Financial Year. For the Financial Year, total fees of €46k (FY25: €68k) were incurred in relation to remuneration advice provided by PwC. The wider PwC firm also provided the Group with other services during the Financial Year relating to accounting and tax. The Committee is satisfied that the PwC engagement partner and advisory team which provide remuneration advice to the Committee have no connection with the Company or individual Directors that might compromise their independence or objectivity.

Statement of Voting at General Meetings

The following table sets out the voting results in respect of the resolutions to approve the Directors' Remuneration Report, the Directors' Remuneration Policy and to renew the Management Incentive Plan at the 2025 AGM:

	Date of AGM	For the resolution	Against the resolution	Votes withheld
Directors' Remuneration Report for the year ended 31 March 2025	24 September 2025	97.36 %	2.64 %	—
(Votes cast)		189,366,386	5,130,361	127,017
Directors' remuneration policy	24 September 2025	97.42 %	2.58 %	
Votes cast		189,481,170	5,015,177	127,017
Renewal of the Management Incentive Plan	24 September 2025	95.19 %	4.81 %	52,534

Resolutions to approve the Directors' Remuneration Report will be put to the 2026 AGM.

Full details of the resolution proposed and rationale for this will be provided in the AGM notice to be made available to the shareholders in advance of the 2026 AGM.

Suzi Williams
Chair of the Remuneration Committee
16 June 2026

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEGONA COMMUNICATIONS PLC

Opinion

In our opinion:

- Zegona Communications plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2026 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Zegona Communications plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise:

Group	Parent company
Consolidated Statement of Financial Position	Statement of Financial Position
Consolidated Statement of Comprehensive Income	Statement of Changes in Equity
Consolidated Statement of Changes in Equity	Related notes 1 to 9 to the financial statements, including material accounting policy information
Consolidated Statement of Cash Flows	
Related notes 1 to 33 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of the directors' going concern assessment process;
- obtaining management's going concern assessment, including the cash and covenant forecast for the going concern period;
- assessing the appropriateness of the duration of the going concern assessment for the period from when the financial statements are authorised for issue to 31 December 2027 ("the going concern assessment period") and considering the existence of any significant events or conditions beyond the going concern assessment period based on our procedures on the group's business plan and knowledge arising from other areas of the audit;
- verifying the accuracy of key inputs by agreeing them to the board approved budget and the terms of the group's debt facilities, and confirming the opening liquidity position used in the going concern assessment to the relevant bank statements;
- considering historical performance of the underlying business and analyst expectations, challenging the assumptions included in the going concern model for reasonableness;
- reviewing the group's borrowing facilities to confirm their availability throughout the going concern assessment period, assessing the forecast debt repayments, and validating compliance with the forecasted financial covenant attached to those facilities;
- assessing the appropriateness of management's going concern model, including an evaluation of its structure and logic, testing the clerical accuracy of the model;
- challenging the reasonableness and severity of management's downside sensitivities, ensuring they appropriately reflect the group's principal risks and uncertainties;
- assessing the consistency of the going concern assessment with information obtained from other areas of the audit, including the budget used in the goodwill and intangible asset impairment assessments;
- considering the impact of subsequent events on the group's cash flow forecasts and overall going concern conclusion;
- reviewing management's reverse stress testing to evaluate how severe a downside scenario would need to be to result in a covenant breach, and assessing whether the required reduction in profitability has anything more than a remote likelihood of occurring when compared to current trading performance, budget and business plan;
- performing independent sensitivity analysis, overlaying an additional downside scenario beyond those considered by management, to assess the robustness of the group's liquidity and covenant headroom under severe but plausible conditions;
- reviewing the group's going concern disclosures (included on page 92 of the Annual Report) to confirm they are consistent with the Board's assessment and comply with the applicable financial reporting requirements;
- the directors' assessment indicates that the group will maintain sufficient liquidity and covenant headroom throughout the going concern assessment period. This includes the continued availability of the €500 million revolving credit facility, which was undrawn as of 31 March 2026 and is forecast to remain undrawn over the going concern assessment period based on the group's liquidity model;
- additionally, management's reverse stress testing demonstrates that the level of reduction in EBITDAaL required to trigger a covenant breach is considered to have no more than a remote possibility of materialising.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period from when the financial statements are authorised for issue to 31 December 2027.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach	
Audit scope	We performed an audit of the complete financial information of 7 components and audit procedures on specific balances for a further 1 component and central procedures on inventory, goodwill impairment, long-term incentive plans, tax, derivative financial instruments, equity, revenue, and direct roaming costs. We also performed specified audit procedures on cash, clients and unbilled receivables, accrued salaries and wages, indirect and other taxes, payroll, and purchase price accounting (PPA) for 4 additional components. All components in the UK and Spain are audited by the respective UK and Spanish audit teams. Together, the UK and Spain audit teams form an integrated group audit engagement team.
Key audit matters	Revenue recognition including management override of controls
	Management override of controls relating to Key Performance Indicator (KPI) impacting executive remuneration
	Valuation of the Vodafone Spain Cash Generating Unit
Materiality	Overall group materiality of €25m which represents 2% of the group's EBITDAaL.

An overview of the scope of the parent company and group audits

Tailoring the scope

In the current period our audit scoping was determined in accordance with the requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from the audit team in Spain, to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that certain centralised audit procedures in the UK would be performed on goodwill impairment, long-term incentive plans, tax, derivative financial instruments, and equity. We also determined that certain centralised audit procedures in Spain would be performed on inventory, revenue, and direct roaming costs.

We then identified 8 components as individually relevant to the group due to our assessment of risk material misstatement or a significant risk impacting the consolidated financial statements.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed in the UK or Spain, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected four components of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 12 components selected, we designed and performed audit procedures on the entire financial information of 7 components ("full scope components"). For 1 component, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining 4 components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each component, either by the group audit engagement team, or by the component auditor operating under the instructions of the group audit engagement team. All components in the UK and Spain are audited by the respective UK and Spanish audit teams. Together, the UK and Spain audit teams form an integrated group audit engagement team.

The group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits Spain each period. During the current period's audit cycle, visits were undertaken by the UK audit team to the audit team in Spain. These visits involved meetings with local management in Spain, understanding the overall audit approach, including key issues and responses as well as reviewing key work papers on risk areas performed by the audit team in Spain.

The UK audit team interacted regularly with the audit team in Spain where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement of the UK audit team with the audit team in Spain to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the group as a whole.

This, together with the additional procedures performed at group level, gave us appropriate evidence for our opinion on the group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Zegona Communications plc. The group has determined that the most significant future impacts from climate change on its operations will be from extreme weather, rising average temperatures, energy and regulatory compliance costs, and the risk of greenwashing. These are explained on pages 27-32 in the required Task Force On Climate Related Financial Disclosures. This disclosure forms part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

The group has explained in 2.c Critical accounting judgements and estimates how they have reflected the impact of climate change in their financial statements. This disclosure also explains where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted international accounting standards.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on page 29. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition including management override of controls Refer to the Audit and Risk Committee Report (page 51); Accounting policies (pages 92, 94 and 101); and Note 3 of the Consolidated Financial Statements (page 103-104) Management recognises revenue according to the principles of IFRS 15, Revenue from Contracts with Customers. We identified a risk of management override through inappropriate manual topside revenue journal entries, as revenue is a key performance indicator used in both external reporting and internal performance incentives. Due to the highly automated nature of the revenue recognition process, we consider manual topside entries to be the most likely method for management to manipulate revenue.	Our audit procedures at full scope component locations included the following: • We reviewed Zegona's code of conduct, and fraud risk management policies in order to evaluate the 'tone at the top'. We also reviewed all material instances of reported fraud; • Assessed the design and operating effectiveness of internal controls around manual journal entries, including approval workflows, segregation of duties and access to accounting systems; • We used data analytic tools to identify revenue related manual journals posted to the general ledger and traced these back to underlying source documentation, to evaluate the propriety, completeness and accuracy of the postings; • As part of our overall revenue recognition testing, we used audit procedures supported by data analytic tools. This included testing the occurrence of revenue by analysing the correlation of 100% of journal entries posted to revenue with journals posted to accounts receivables and then subsequently as cash receipts. This approach helped identify any journal entries that deviate from typical posting patterns, which could indicate potential management override. Additionally, we validated cash receipt postings by tracing a sample of them to bank statements; • We focused our journal entry audit procedures on addressing the risk of management override of controls over revenue at all full scope components. Our procedures also covered post-closing period end journal entries and consolidation adjustments; • Performed analytical procedures to assess revenue trends and fluctuations. Compared current period revenue to prior periods and expectations based on business performance to identify any inconsistencies or unusual patterns that could indicate manipulation; • Conducted interviews with management and key personnel involved in the revenue recognition process to understand their approach to revenue reporting, particularly in relation to manual journal entries. Assessed whether there are any indicators of intentional override of controls.

Key observations communicated to the Audit and Risk Committee

Based on the procedures performed, including those in respect of manual adjustments to revenue, we did not identify any evidence of material misstatement in the revenue recognised during the period.

How we scoped our audit to respond to the risk and involvement with component teams

Audit work performed to address this risk was undertaken by the audit team in Spain and supported by the audit team in UK as required.

Risk	Our response to the risk
Management override of controls relating to KPI impacting executive remuneration Refer to the Audit and Risk Committee Report (page 51) and Accounting policies (page 91) There is a risk that management could override controls in order to influence KPI which has a bearing on executive remuneration. We have identified the following areas as those particularly susceptible to this risk: • Understatement of operating and capex-related accruals to overstate operating profits; • Incorrect capitalisation operating expenses that should have been expensed; • Incorrectly capitalising network infrastructure assets that don't meet the criteria for capitalisation.	Our audit procedures at full scope locations included the following: • Assessed the design effectiveness of internal controls over the recognition of accruals, as well as the design and operating effectiveness of internal controls related to the capitalisation of operating expenses and assets; • Performed detailed testing of operating and capex-related accruals to ensure that all liabilities are appropriately recognised. This included examining supporting documentation, such as invoices and contracts, to verify the completeness and accuracy of accruals; • Analysed historical accruals and compared trends to identify any unusual or unexplained fluctuations that could suggest intentional understatement; • Performed search for unrecorded liabilities testing using lower testing thresholds to identify any accruals that have not been recorded as at the period end; • Understood management's process on capitalising operating expenses and network infrastructure assets and reviewed the accounting policy in line with IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets; • Using lower testing thresholds, tested a sample of capitalised operating expenses and network infrastructure assets to confirm they meet the criteria for capitalisation under IFRS; • Assessed whether capitalised costs are directly attributable to the creation or enhancement of the network infrastructure, and whether any costs have been inappropriately capitalised to boost asset values or reduce expenses; • Compared current period capitalisations with prior periods and investigated any significant changes in the nature or volume of capitalised costs; • Analysed the nature of journal entries and manual adjustments related to accruals and capitalisation of expenses including network infrastructure assets, particularly those made by senior management, to identify any unusual or suspicious entries that could indicate manipulation of financial results; • Tested a sample of capitalised network infrastructure assets to confirm they meet the criteria for capitalisation under IFRS.

Key observations communicated to the Audit and Risk Committee

Based on the procedures performed, we did not identify any instances of management override of controls in order to influence KPI that has a bearing on remuneration.

How we scoped our audit to respond to the risk and involvement with component teams

Audit work performed to address this risk was undertaken by the audit team in Spain and supported by the audit team in the UK as required.

Risk	Our response to the risk
Valuation of the Vodafone Spain Cash Generating Unit Refer to the Audit and Risk Committee Report (page 51); Accounting policies (pages 93 and 94); and Note 12 of the Consolidated Financial Statements (pages 113 and 114) There is a risk that the cash generating unit (CGU) may not generate sufficient cash flow to support the carrying value of goodwill and other intangible assets at the group level and investments in subsidiaries held by the parent company, potentially leading to an impairment charge. This is due to the nature of the Vodafone Spain CGU's valuation, which involves estimation about the future performance of the business. In particular, management make assumptions regarding growth rates, and discount rate, all of which involve a degree of estimation uncertainty.	• Understood the methodology applied by management in identifying CGU and assess this against the requirements of IAS 36 Impairment of Assets; • Understood the methodology applied by management in performing its impairment test for the CGU and walked through the controls over the process; • Calculated the degree to which the key inputs and assumptions would need to fluctuate before an impairment is triggered and considered the likelihood of this occurring. We performed our own sensitivities on the group's forecasts and determined whether adequate headroom remains; • Where there are indicators of impairment or low levels of headroom, performed detailed testing to critically assess the key inputs to the valuations, including: ◦ analysed the historical accuracy of budgets to actual results to determine whether forecasted cash flows are reliable based on past experience; ◦ evaluated the discount rate used by involving valuation specialists; obtaining the underlying data used in the calculation and benchmarking it against market data and comparable organisations; ◦ validated the growth rates assumed by comparing them to analyst reports and benchmarking it against comparable organisations; • Assessed the disclosures in the financial statements against the requirements of IAS 36, in particular in respect of the requirement to disclose further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment.

Key observations communicated to the Audit and Risk Committee

Based on the procedures performed, we concur with management that there is no requirement to recognise an impairment charge for the financial period ending 31 March 2026.

How we scoped our audit to respond to the risk and involvement with component teams

All audit work performed to address this risk was undertaken by the audit team in the UK with support from the audit team in Spain as required.

In the prior year, our auditor's report included a key audit matter in relation to the valuation of the Vodafone Spain acquisition (PPA accounting) which is not relevant for the current year. Additionally, the acquisitions in the current year are not material therefore, not a key audit matter.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be €25 million (2025: €20 million), which is 2% (2025: 2%) of planning EBITDAaL (P06 actual results plus 6-month forecast). We believe that EBITDAaL provides us with the most relevant performance measure to the stakeholders of the group.

We determined materiality for the Parent Company to be €17 million (2025: €14 million), which is 1.5% (2025: 1%) of the Parent Company's net assets. The increase in the basis percentage from prior year is a result of limited changes in business environment in the Parent Company in the period.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% (2025: 50%) of our planning materiality, namely €12.5 million (2025: €10 million). We have set performance materiality at this percentage due to the level of identified misstatements in prior periods, including those not adjusted by management, which increases the likelihood of the aggregate of uncorrected and undetected misstatements exceeding materiality.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was €2.5 million to €12.5 million (2025: €1 million to €10 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of €1.25 million (2025: €1 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report 144 to 145, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- a Corporate Governance Statement has not been prepared by the company

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 42;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 52;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 52;
- Directors' statement on fair, balanced and understandable set out on page 52;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 54;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 54 to 56; and
- The section describing the work of the Audit and Risk Committee set out on pages 51 to 56.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting frameworks (UK adopted international accounting standards, Financial Reporting Standard 101 'Reduced disclosure framework', the UK Companies Act 2006, the UK Corporate Governance Code (including updates applicable to the current reporting period), and the listing rules and other applicable rules issued by the Financial Conduct Authority (FCA)), the relevant tax compliance regulations in the jurisdictions in which the group operates and the UK and EU General Data Protection Regulation (GDPR).

- We understood how Zegona Communications plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We supplemented our enquiries through our review of board minutes and papers provided to the audit and risk committee, correspondence received from regulatory bodies and attendance at all meetings of the audit and risk committee, as well as consideration of the results of our audit procedures across the group.

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud and assessing whistleblowing incidences for those with a potential financial reporting impact. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included those on revenue recognition and items impacting KPIs referred to in the key audit matters section above and testing journals entries and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and finance teams both in the UK and in Spain, the Audit and Risk Committee, the group internal audit function, the group legal function, and individuals in the fraud and compliance department. We also performed journal entry testing, with a focus on manual journal entries, consolidation journals, journals indicating large or unusual transactions and journals with key words that could indicate management override, based on our understanding of the business; and challenging the assumptions and judgements made by management in respect of significant one-off transactions in the financial period and significant accounting estimates, as referred to in the key audit matters section above.

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

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee we were appointed by the company on 16 July 2024 to audit the financial statements for the period ending 31 March 2025 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 2 periods, covering the periods ending 31 March 2025 to 31 March 2026.

- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Marcus Butler (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, London

16 June 2026

Financial Statements

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Consolidated Statement of Comprehensive Income

	Notes	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Revenue	3	3,627,544	3,014,621
Cost of sales		(717,099)	(580,485)
Gross profit		**2,910,445**	**2,434,136**
Administrative expenses		(2,534,595)	(2,042,017)
Net credit losses on financial assets	25	13,747	(81,285)
Separately reported items	4	(172,577)	(396,384)
Share of profit in an associated undertaking	13	3,366	—
Operating profit/(loss)		**220,386**	**(85,550)**
Share of loss of a joint arrangement	13	(5,893)	—
Impairment of equity accounted investment	13	(41,569)	—
Finance income	5	12,943	16,273
Finance cost	5	(375,301)	(380,681)
Loss for the period before tax		**(189,434)**	**(449,958)**
Income tax credit	6	21	11,153
Loss for the period		**(189,413)**	**(438,805)**
Other comprehensive income and expenses			
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		—	22,360
Net loss on bad debts measured at fair value through other comprehensive income	4	(1,995)	(2,731)
Net gain/(loss) on cash flow hedges	25	17,442	(8,450)
Other comprehensive income		**15,447**	**11,179**
Total comprehensive loss		**(173,966)**	**(427,626)**
(Loss) per earnings per share		**(0.30)**	**(0.61)**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

	Notes	31 March 2026 €000	31 March 2025 €000
Assets			
Non-current assets			
Goodwill	9,10	914,997	905,517
Intangible assets	10	1,751,865	1,879,189
Property, plant and equipment	11	3,337,064	3,533,690
Investments in associates and joint ventures	13	235,733	598,096
Other investments	13	62,048	1,733
Trade and other receivables	15	190,070	257,887
		6,491,777	**7,176,112**
Current assets			
Trade and other receivables	15	881,995	950,203
Inventory		48,432	45,812
Cash and cash equivalents	23	518,806	207,989
		1,449,233	**1,204,004**
Assets held for sale	7	—	107,698
Total assets		**7,941,010**	**8,487,814**
Equity and liabilities			
Equity			
Share capital	18	2,877	8,971
Share premium	19	—	1,229,327
Capital reduction reserve	19	190,424	190,424
Capital redemption reserve	19	6,138	—
Share based payment reserve	19	104,721	62,751
Other reserves	19	8,992	(8,450)
Retained earnings	19	(1,203,506)	(689,993)
Foreign currency translation reserve	19	21,214	23,561
Total equity		**(869,140)**	**816,591**
Non-current liabilities			
Borrowings	21	3,687,937	3,918,120
Deferred tax liabilities	6	930	—
Trade and other payables	16	2,206,309	676,425
Provisions	17	143,510	176,058
Lease liabilities	24	709,218	654,622
		6,747,904	**5,425,225**
Current liabilities			
Interest payable on borrowings		41,420	46,283
Trade and other payables	16	1,392,833	1,635,556
Provisions	17	302,348	213,528
Lease liabilities	24	325,645	350,631
		2,062,246	**2,245,998**
Total liabilities		**8,810,150**	**7,671,223**
Total equity and liabilities		**7,941,010**	**8,487,814**

The accompanying notes are an integral part of the consolidated financial statements.

The Financial Statements of Zegona Communications plc (registered number 09395163) were approved by the Board of Directors on 16 June 2026 and were signed on its behalf by:

Eamonn O'Hare

Director

Robert Samuelson

Director

Consolidated Statement of Changes in Equity

	Note	Share capital	Share premium	Capital reduction reserve	Capital redemption reserve	Share-based payment reserve	Other reserves – cash flow hedge reserve	Retained earnings	Foreign currency translation reserve	Total equity
		€000	€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 April 2025		8,971	1,229,327	190,424	—	62,751	(8,450)	(689,993)	23,561	816,591
Loss for the period		—	—	—	—	—	—	(189,413)	—	(189,413)
Other comprehensive income/(expense)		—	—	—	—	—	17,442	(1,995)	—	15,447
Reclassification between reserves	19	—	—	—	—	—	—	2,347	(2,347)	—
Share premium cancellation	19	—	(1,229,327)	—	—	—	—	1,229,327	—	—
Cancellation and deferral of shares	18	(6,000)	—	—	6,044	—	—	(44)	—	—
Dividend paid to equity holders of parent	19	—	—	—	—	—	—	(1,413,522)	—	(1,413,522)
Share buybacks	18	(94)	—	—	94	—	—	(140,213)	—	(140,213)
Share-based payment charge		—	—	—	—	41,970	—	—	—	41,970
Balance at 31 March 2026		**2,877**	**—**	**190,424**	**6,138**	**104,721**	**8,992**	**(1,203,506)**	**21,214**	**(869,140)**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

	Note	Share capital	Share premium	Capital reduction reserve	Share-based payment reserve	Other reserves – cash flow hedge reserve	Other reserves – promissory note	Retained earnings	Foreign currency translation reserve	Total equity
		€000	€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 January 2024		8,312	1,182,375	2,565	156	—	(3,722)	(9,219)	1,201	1,181,668
Loss for the period		—	—	—	—	—	—	(438,805)	—	(438,805)
Other comprehensive income/(expense)		—	—	—	—	(8,450)	—	(2,731)	22,360	11,179
Issuance of shares		659	234,857	—	—	—	—	—	—	235,516
Reclassification of interest income related to promissory note		—	—	—	—	—	3,722	(3,722)	—	—
Share premium reduction	19	—	(187,859)	187,859	—	—	—	—	—	—
Transaction costs arising on share premium reduction		—	(46)	—	—	—	—	—	—	(46)
Share-based payment cost	29	—	—	—	—	—	—	(235,516)	—	(235,516)
Share-based payment charge		—	—	—	62,595	—	—	—	—	62,595
Balance at 31 March 2025		**8,971**	**1,229,327**	**190,424**	**62,751**	**(8,450)**	**—**	**(689,993)**	**23,561**	**816,591**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Net cash flows from operating activities	22	**2,477,197**	**1,421,402**
Cash flows from investing activities			
Transfer of cash from Escrow	9	—	290,000
Cash from Escrow used for acquisition	9	—	(290,000)
Repayment of loans in acquired subsidiary	9	—	(3,325,540)
Net cash from borrowings used for the acquisition	9	—	(362,560)
Cash acquired	9	1,437	—
Sale of investments		1,637	834
Purchase of investments		(42)	—
Purchase of intangible fixed assets		(329,889)	(302,390)
Purchase of property, plant and equipment		(297,248)	(162,986)
Interest received relating to investing activities		22,555	12,534
Proceeds from sale of fixed assets		34,048	—
Equity distribution from investment in associate	13	118,400	—
Net proceeds from FiberPass transaction	13	379,584	—
Dividend received in PremiumFiber transaction	13 & 22	493,939	—
Purchase of interests in joint ventures		—	(558)
Net cash inflow/(outflow) from investing activities		**424,421**	**(4,140,666)**
Cash flows from financing activities			
Costs of issuance of shares		—	(46)
Proceeds from borrowings, net of transaction costs paid	21	730,994	3,678,726
Repayment of borrowings	21	(923,921)	—
Interest paid relating to financing activities		(290,486)	(238,970)
Movements in derivatives	15,16	3,313	—
Payment of redemption of management shares	29	—	(26,168)
Dividends paid to equity holders of the parent	20	(1,413,522)	—
Purchase of own shares	18	(140,213)	—
Repayments of leases		(556,966)	(490,937)
Net cash (outflow)/inflow from financing activities		**(2,590,801)**	**2,922,605**
Net increase in cash and cash equivalents		**310,817**	**203,341**
Cash and cash equivalents at the beginning of the period		207,989	4,648
Effects of exchange rate changes on cash and cash equivalents		—	—
Cash and cash equivalents at the end of the period	23	**518,806**	**207,989**

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General Information

Zegona Communications plc was established in 2015 with the objective of investing in businesses in the European Telecommunications, Media and Technology sector and improving their performance to deliver attractive shareholder returns.

The Group is a leading integrated telecommunications provider of broadband, mobile and TV services and products in Spain, delivering voice, data and other value-added services. The Group covers both business-to-consumer and business-to-business markets, each with a highly diversified customer base.

Zegona Communications plc is incorporated in England and Wales (registration number 09395163). The registered office address is 8 Sackville Street, London, W1S 3DG.

On 16 July 2024 EY were appointed the Group's auditors.

A number of UK subsidiaries of Zegona Communications plc have opted to take the audit exemption as set out within section 479A of the Companies Act; see note 32 for more details.

2. Material Accounting Policies

(a) Basis of preparation

This section describes the critical accounting judgements and estimates that Management has identified as having a potentially material impact on the Group's consolidated financial statements and sets out our material accounting policies that relate to the financial statements as a whole.

We have also detailed below the new accounting pronouncements that we will adopt in future years and our current view of the impact they will have on our financial reporting.

The consolidated financial statements are prepared in accordance with UK-adopted International Accounting Standards ("IAS"), with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and with the requirements of the Companies Act 2006 (the "Act"). The consolidated and Company financial statements are prepared on a going concern basis.

IFRS requires the Directors to adopt accounting policies that are the most appropriate to the Group's circumstances. These have been applied consistently to all the periods presented, unless otherwise stated. In determining and applying accounting policies, Directors and Management are required to make judgements and estimates in respect of items where the choice of a specific policy, accounting judgement, estimate or assumption to be followed could materially affect the Group's reported financial position, results or cash flows and disclosure of contingent assets or liabilities during the reporting period; it may later be determined that a different choice may have been more appropriate.

The Group's critical accounting judgements and key sources of estimation uncertainty are detailed below. Actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Management regularly reviews, and revises as necessary, the accounting judgements that significantly impact the amounts recognised in the financial statements and the estimates that are considered to be 'critical estimates' due to their potential to give rise to material adjustments in the Group's financial statements in the year to 31 March 2027. As at 31 March 2026, Management has identified critical judgements in respect of revenue recognition, lease accounting, impairment evaluation, and the assessment of control over third parties.

In addition, Management has identified critical accounting estimates in relation to impairment reviews; estimates have also been identified that are not considered to be critical in respect of management incentive plans, the allocation of revenue to goods and services, the recovery of deferred tax assets, determining credit losses and the useful economic lives of finite lived intangible assets and property, plant and equipment.

The majority of the Group's provisions are either long-term in nature (such as asset retirement obligations) or relate to shorter-term liabilities (such as those relating to restructuring and property) where there is not considered to be a significant risk of material adjustment in the next financial year.

These critical accounting judgements, estimates and related disclosures have been discussed with the Group's A&RC.

Subsidiaries are entities controlled by the Company, either directly or indirectly. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial information of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances, any gains and losses or income and expenses arising from intragroup transactions, and intragroup cash flows are eliminated on consolidation. The Group's functional currency is the euro.

The financial statements have been prepared under the historical cost convention except where explicitly noted.

(b) Going concern

As at 31 March 2026, the Group has a strong liquidity position with €519m of cash and cash equivalents together with undrawn revolving credit facilities of €500m. None of the Group's other debt facilities falls due in the going concern period (from the date of signing through to 31 March 2029). As the ultimate parent company in the Group is non-operating, the Company is dependent on funding from its subsidiaries. The Directors have received appropriate support from within the Group, including a letter of support, and have therefore considered the Company's going concern assessment in the context of the Group's overall liquidity position.

The Directors have reviewed a detailed cash flow base case driven by expected performance and future business plans. A plausible but severe downside sensitivity analysis was also reviewed which modelled an 9% reduction in revenue over the going concern period, resulting in an 15% reduction in EBITDAaL versus the Base Case, in the financial year to 31 March 2027.

Additionally, the Directors reviewed a reverse stress test scenario to calculate the decrease to the Group's forecast EBITDAaL to result in a breach of the Group's debt covenant. The required reduction in EBITDAaL to cause a breach of debt covenants over the going concern period was 45% (prior to any mitigating actions being taken to improve revenues or manage costs in such a scenario). This scenario was deemed as implausible given the contractual nature of revenue earned within the business, and based on historic business performance.

In the base case, downside and reverse stress test scenarios, there is significant headroom available on liquidity.

Whilst the Directors recognise the uncertainty of the external environment and have considered the principal risks to the Group in the going concern forecasting, they have a reasonable expectation that the Group and the Company have adequate resources and liquidity to continue in operational existence for the going concern period, from the issuance of these financial statements to 31 December 2027.

The Directors therefore consider it appropriate to adopt the going concern basis when preparing the consolidated and Company financial information for the Financial Year.

(c) Critical accounting judgements and estimates

The preparation of the financial statements requires Management to consider estimates and assumptions that affect the reported amounts of revenue, costs, assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates.

Critical judgements

(i) Revenue recognition - Judgement

Gross versus net revenue presentation

Judgement is required in deciding whether revenues earned by the Group should be recognised gross (when acting as a principal) or net (when acting as an agent). Whether the Group is considered to be the principal or an agent in the transaction depends on an analysis by management of both the legal form and substance of the agreement between the Group and its business partners. The Group concludes it is acting as principal where the Group has control of goods or services when they are delivered to a customer. Where the Group does not have control it is acting as an agent. Scenarios requiring judgement to determine whether the Group is a principal or an agent include, for example, those where the Group delivers third-party branded software or services (such as premium music, TV content or cloud-based services) to customers and those where goods or services are delivered to customers in partnership with a third-party. The Group considers a range of factors when assessing whether the Group is the principal.

(ii) Lease accounting - Judgement

a) Lease identification

Whether the arrangement is considered a lease or a service contract depends on the analysis by management of both the legal form and substance of the arrangement between the Group and the counter-party to determine if control of an identified asset has been passed between the parties; if not, the arrangement is a service arrangement. Control exists if the Group obtains substantially all of the economic benefit from the use of the asset, and has the ability to direct its use, for a period of time. An identified asset exists where an agreement explicitly or implicitly identifies an asset or a physically distinct portion of an asset which the lessor has no substantive right to substitute.

The scenarios requiring the greatest judgement include those where the arrangement is for the use of fibre or other fixed telecommunication lines. Generally, where the Group has exclusive use of a physical line it is determined that the Group can also direct the use of the line and therefore leases will be recognised. Where the Group provides access to fibre or other fixed telecommunication lines to another operator on a wholesale basis the arrangement will generally be identified as a lease, whereas when the Group provides fixed line services to an end-user, generally control over such lines is not passed to the end-user and a lease is not identified.

b) Lease term

Where leases include additional optional periods after an initial lease term, judgement is required in determining whether these optional periods should be included when determining the lease term. As a lessee, optional periods are included in the lease term if the Group is reasonably certain it will exercise an extension option or will not exercise a termination option; this depends on an analysis by Management of all relevant facts and circumstances including the leased asset's nature and purpose, the economic and practical potential for replacing the asset and any plans that the Group has in place for the future use of the asset. The value of the right-of-use asset and lease liability will be greater when extension options are included in the lease term.

(iii) Impairment reviews - Judgement

IFRS requires management to annually test all investments and indefinite lived assets for impairment, if events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management is required to make significant judgements concerning the identification of impairment indicators and, where indicators are present, applying forward looking assumptions and appropriate valuation techniques.

(iv) Assessment of control - Judgement

Management apply judgement in assessing the extent of control that the Group exercises over third party entities, This assessment of control is used to determine the appropriate accounting treatment. In forming this judgement, Management consider both the legal form and the substance of the arrangement taking into account all relevant facts and circumstances. These include, but are not limited to, board representation and decision-making rights, the ability to direct activities that significantly affect the entity's returns (including those relating to cash generation), the Group's exposure to variable returns, and whether the Group has rights to substantially all the economic benefits of the entity and, in substance bears its liabilities.

Critical estimates

(v) Expected credit losses - Estimate

From time to time Management is required to estimate the recoverability of specific trade receivables. In these circumstances, Management make use of both in-house legal experts and the advice of external professional advisors in order to arrive at the final estimate.

(vi) Impairment reviews - Estimate

IFRS requires Management to perform impairment tests annually for indefinite lived assets (comprising goodwill). For indefinite lived assets, the Group performs an annual impairment test which focuses on determining the recoverable amounts for its assets based on the higher of fair value less costs to sell or the value in use, being the present value of the future cash flows it expects to generate from the continuing use of its assets or cash-generating units. Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including Management's expectations of:

- Growth in EBITDAaL;
- Timing and amount of future capital investments to maintain assets;
- Long-term growth rates; and
- Discount rates that reflect the future cash flows.

Changing the assumptions selected by Management, in particular projected EBITDAaL, long-term growth rate and discount rate assumptions, could significantly affect the Group's impairment evaluation and hence reported assets and profit or loss. Further details, including a sensitivity analysis, are included in note 12 "Impairment losses" to the consolidated financial statements.

Impairment tests are also performed for finite lived assets, and for equity accounted investments if events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Other estimates and Judgements

(vii) Long term incentive plans - Estimate

The Group has three Long Term Incentive Plans ("LTIPs"). For these plans some estimates have been used in building the Monte Carlo models, to calculate the probability of future liabilities. For more detailed analysis of the assumptions see note 29.

(viii) Business combinations and goodwill - Estimate

Other intangible assets can include amounts incurred by the Group in acquiring licences and spectrum, customer bases and the costs of purchasing and developing computer software.

Where intangible assets are acquired through business combinations and no active market for the assets exists, the fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. Estimates relating to the future cash flows, such as growth and discount rates used may have a material effect on the reported amounts of finite lived intangible assets.

Customer bases

The estimated useful life principally reflects Management's view of the average economic life of the customer base and is assessed by reference to customer churn rates. An increase in churn rates may lead to a reduction in the estimated useful life and an increase in the amortisation charge.

(ix) Revenue recognition - Estimate

Allocation of revenue to goods and services provided to customers

It is necessary to estimate the standalone price when the Group does not sell equivalent goods or services in similar circumstances on a standalone basis. When estimating the standalone price, the Group maximises the use of external inputs; methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Group, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach. Where it is not possible to reliably estimate standalone prices due to a lack of observable standalone sales or highly variable pricing the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract.

(xi) Property, plant and equipment - Estimate

Estimates and assumptions made may have a material impact on the carrying value and related depreciation charge. See note 11 "Property, plant and equipment" to the consolidated financial statements for further details.

Estimation of useful life

The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually. Management's estimates of useful life have a material impact on the amount of depreciation recorded in the period, but there is not considered to be a significant risk of material adjustment to the carrying values of property, plant and equipment in the year to 31 March 2027 if these estimates were revised. Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology.

(xii) Climate Change - Judgement

The potential climate change-related risks and opportunities to which the Group is exposed, as identified by Management, are disclosed in the Climate-Related Disclosures. Management has assessed the potential financial impacts relating to the identified risks, primarily physical and transitional. Management has exercised judgement in concluding that there are no further material financial impacts of the Group's climate-related risks and opportunities on the consolidated financial statements. These judgements will be kept under review by management as the future impacts of climate change depend on environmental, regulatory and other factors outside of the Group's control which are not all currently known.

(d) Material accounting policies

(i) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

(ii) Interests in joint arrangements

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, investments in joint ventures are carried in the Consolidated Statement of Financial Position at cost adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the Consolidated Statement of Comprehensive Income. Losses of an associate in excess of the Group's interest are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Gains or losses arising from the contribution or disposal of a subsidiary to a joint arrangement are recognised in full where the subsidiary constitutes a business and control is lost.

(iii) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but where the Group does not have control or joint control over those policies.

At the date of acquisition, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method. Under the equity method, investments in joint ventures are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the consolidated income statement. Losses of an associate in excess of the Group's interest are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

In certain commercial arrangements with the Group's associates and joint ventures, transactions arise in both directions between the Group and the investee. While these transactions are independent, they occur within the context of an ongoing commercial relationship with a single counterparty and, although differing in nature, are operationally interdependent. Accordingly, the Group presents the associated income and expenses arising from these arrangements within the Consolidated Statement of Comprehensive Income.

Where such arrangements give rise to future performance obligations, the present value of the Group's obligation is recognised as a liability. This liability is subsequently recognised in the Consolidated Statement of Comprehensive Income as the related performance obligations are satisfied.

(iv) Goodwill

Goodwill is not subject to amortisation but is assessed for impairment annually or where there is an indication that the asset may be impaired. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash generating units. The cash generating units are the same level as the Group's operating segments.

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

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversible in subsequent periods.

(v) Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Identifiable intangible assets are recognised at fair value when the Group completes a business combination. There are no other intangible assets; if the Group had such assets, they would be recognised at cost, The determination of the fair values of the separately identified intangibles, is based, in part, on Management's judgement.

At each reporting period date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the consolidated income statement.

Where there has been a change in the estimates used to determine recoverable amounts and an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years and an impairment loss reversal is recognised immediately in the consolidated income statement.

Useful life

The useful life over which intangible assets are amortised is reviewed annually to ensure that they remain appropriate. Useful lives are included in the sub-categories below for each type of intangible asset.

Finite lived intangible assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Licence and spectrum fees

Amortisation periods for licence and spectrum fees are determined primarily by reference to the unexpired licence period, the conditions for licence renewal and whether licences are dependent on specific technologies. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives from the commencement of related network services. The estimated useful lives are 5–40 years.

Computer software

Computer software comprises software purchased from third parties as well as the cost of internally developed software. Computer software licences are capitalised based on the costs incurred to acquire and bring into use the specific software. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and are probable of producing future economic benefits, are recognised as intangible assets. Direct costs of software development include employee costs and directly attributable overheads.

Software integral to an item of hardware equipment is classified as property, plant and equipment.

Costs associated with maintaining software programmes are recognised as an expense when they are incurred.

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life from the date the software is available for use, being 3–5 years.

(vi) Capitalisation of customer-related intangible assets

The direct and incremental costs of acquiring or retaining a customer relationship are recognised as a customer-related asset if the Group expects to recover those costs. Customer-related assets refers to commissions paid to staff and agents for acquiring new customers and renewals of existing customers on behalf of the Group.

Customer-related intangible assets are capitalised whenever they meet the following criteria:

- Costs that the Group incurs relating to the acquisition of a contract with a customer that would not have been incurred if the contract had not been obtained.
- Costs that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred unless those costs are explicitly chargeable to the customer, regardless of whether the contract is obtained.

Customer-related assets is a component of the intangible assets and amortised over the contract life; typically, this is over the customer contract period as new commissions are payable on contract renewal. The estimated useful life requires Management judgement and is based on the underlying expected life of the customer relationship based on historical actuals and market trends, normally between 0.5-3 years.

(vii) Leases

As a lessee

When the Group leases an asset, a "right-of-use asset" is recognised for the leased item and a lease liability is recognised for any lease payments to be paid over the lease term at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is "reasonably certain" to exercise any extension options. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment. If right-of-use assets are impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the value of the lease payments over the lease term that are not paid at the commencement date and are discounted using the incremental borrowing rates of the applicable Group entity (the rate implicit in the lease is used if it is readily determinable). Lease payments included in the lease liability include both fixed payments and in-substance fixed payments during the term of the lease.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase) or if the Group's assessment of the lease term changes; any changes in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

As a lessor

Where the Group is a lessor, it determines at inception whether the lease is a finance or an operating lease. When a lease transfers substantially all the risks and rewards of ownership of the underlying asset then the lease is a finance lease; otherwise, the lease is an operating lease.

Where the Group is an intermediate lessor, the interests in the head lease and the sub-lease are accounted for separately and the lease classification of a sub-lease is determined by reference to the right-of-use asset arising from the head lease.

Income from operating leases is recognised on a straight-line basis over the lease term. Income from finance leases is recognised at lease commencement with interest income recognised over the lease term.

Lease income is recognised as revenue for transactions that are part of the Group's ordinary activities (primarily leases of handsets or other equipment to customers, leases of wholesale access to the Group's fibre and cable networks and leases of tower infrastructure assets). The Group uses IFRS 15 principles to allocate the consideration in contracts between any lease and non-lease components.

(viii) Property, plant and equipment

At each reporting period date, the Group reviews the carrying amounts of its property, plant and equipment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

Land and buildings held for use are stated in the statement of financial position at their cost, less any accumulated depreciation and any accumulated impairment losses.

Amounts for equipment, fixtures and fittings, which includes network infrastructure assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Useful life

Management determines the useful lives and residual values for assets when they are acquired. Useful lives are included in the sub-categories below for each type of tangible asset.

Land and buildings	
Freehold buildings	5–25 years
Leasehold premises	The term of the lease
Equipment, fixtures and fittings	
Network infrastructure and other	1–35 years

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is charged to write off the cost of assets, other than land, using the straight-line method, over their estimated useful lives.

Depreciation is not provided on freehold land.

Right-of-use assets arising from the Group's lease arrangements are depreciated over their reasonably certain lease term, as determined under the Group's leases policy.

The gain or loss arising on the disposal, retirement or granting of a finance lease on an item of property, plant and equipment is determined as the difference between any proceeds from sale or receivables arising on a lease and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(ix) Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average costs comprising direct material costs.

(x) Trade and other receivables

Trade receivables represent amounts owed by customers where the right to receive payment is conditional only on the passage of time. Trade receivables that are recovered in instalments from customers over an extended period are discounted at market rates and interest revenue is accreted over the expected repayment period. Trade receivables recognised at fair value through other comprehensive income represent those trade receivables which have been sold, a practice which the Group performs from time to time. These receivables are valued at the price a market participant would pay for them today, incorporating a discount for the time value of money, as well as adjustments for expected credit losses and any associated fees. All other trade receivables are recorded at amortised cost. The fair values of these assets are calculated by discounting the future cash flows to net present values using appropriate market interest rates prevailing at 31 March.

The carrying value of all trade receivables, contract assets and finance lease receivables recorded at amortised cost is reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balances, historical experience and forward-looking considerations. Individual balances are written off when Management deems them not to be collectible.

(xi) Taxes

Current tax payable or recoverable is based on taxable profit for the Financial Year. Taxable profit differs from profit as reported in the statement of comprehensive income as some items of income or expense are taxable or deductible in different periods or may never be taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting period date.

Where the Group is aware of potential uncertainties, and where it is judged not probable that the taxation authorities would accept the uncertain tax treatment, a provision is made following the appropriate requirements set out in IFRIC 23 Uncertainty over income tax treatments, and determined with reference to similar transactions and, in some cases, reports from independent experts.

Recognition of deferred tax assets and liabilities

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable temporary differences or taxable profits will be available against which deductible temporary differences can be utilised.

Such liabilities are not recognised when the deferred tax liability arises from the initial recognition of goodwill or an assets or liability in a transaction that is not a business combination and, at the time of the transaction, affects nether the accounting nor taxable profit or loss nor gives rise to equal taxable and deductible temporary differences. Neither is an asset recognised when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss nor gives rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted to reflect changes in the Group's assessment that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting period date.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the tax is recognised in other comprehensive income or in equity.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which a deductible taxable temporary difference can be utilised when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse:

a. in the same period as the expected reversal of the deductible taxable temporary difference; or

b. in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. In such circumstances, the deferred tax asset is recognised in the period in which the deductible taxable temporary differences arise.

When there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, the deferred tax asset is recognised to the extent that it is probable that the entity will have sufficient taxable profit relating to the same taxation authority and the same taxable entity in the same period as the reversal of the deductible taxable temporary difference (or in the periods into which a tax loss arising from the deferred tax asset can be carried back or forward).

(xii) Trade and other payables

Trade and other payables are classified at initial recognition as financial liabilities at fair value. They are subsequently measured at amortised cost. Contract liabilities are recorded based on upfront payment received and recognised in the Consolidated Statement of Comprehensive Income as the service is provided.

(xiii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Where the timing of settlement is uncertain undiscounted amounts are classified as non-current as settlement is expected more than 12 months from the reporting date.

Asset retirement obligation

In the course of the Group's activities, a number of sites and other assets are utilised which are expected to have costs associated with decommissioning. A provision for decommissioning is recognised in full when the related facilities are installed. The amount recognised is the present value of the estimated future expenditure. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related asset and this is subsequently depreciated. Any change in the present value of the estimated expenditure is adjusted at the start of the financial period as an adjustment to the opening provision and the asset. The unwinding of the discount is included as a finance cost. The associated cash outflows are substantially expected to occur at the dates of decommissioning of the assets to which they relate and are long term in nature.

Legal and regulatory

The Group, in the normal course of business, will have a number of disputes, including where the Group has received notifications of possible claims. Group Management, after taking legal advice, establishes provisions considering the facts of each case. An assessment is made of each case, and a provision is recognised based on the likelihood of the success of the claim and magnitude involved.

Restructuring

The Group undertakes periodic reviews of its operations and recognises provisions as required based on the outcomes of these reviews. Restructuring provisions are recognised only when the Group has a constructive obligation, which is when:

i. there is a detailed formal plan that identifies the business or part of the business concerned, the detailed estimates of the associated costs, the timelines and, if relevant the location and number of employees affected; and

ii. the employees affected have been notified of the plan´s main features.

The associated cash outflows for restructuring costs are primarily less than one year.

Other
Comprises various items that do not fall within the Group's other categories of provisions.

(xiv) Borrowing
Interest-bearing loans are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. See note 21.

(xv) Financial liabilities and equity instruments
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(xvi) Financial instruments
Financial instruments comprise investments trade receivables, cash and cash equivalents, payables and accruals and borrowings. Where recorded at fair value, their fair values are based on standard valuation techniques, including market comparisons and discounts of future cash flows, maximising the use of observable inputs and adjusting for risk.

(xvii) Derivative financial instruments and hedge accounting
The Group's borrowings expose it to the financial risks of changes in foreign exchange rates and interest rates which it manages using derivative financial instruments. The Group does not use derivative financial instruments for speculative purposes.

The Group designates certain derivatives as:

- hedges of the change in fair value of recognised assets and liabilities ("fair value hedges"); or
- hedges of highly probable forecast transactions or hedges of foreign currency or interest rate risks of firm commitments ("cash flow hedges").

Derivative financial instruments are initially measured at fair value at the contract date and are subsequently re-measured to fair value at each reporting date. Changes in values of all derivatives of a financing nature are included within investment income and financing costs in the income statement unless designated in an effective cash flow hedge relationship or a hedge of a net investment in foreign operations when the effective portion of changes in value are deferred to other comprehensive income. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. For fair value hedges, the carrying value of the hedged item is also adjusted for changes in fair value for the hedged risk, with gains and losses recognised in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. When hedge accounting is discontinued, any gain or loss recognised in other comprehensive income at that time remains in equity and is recognised in the income statement when the hedged transaction is ultimately recognised in the income statement.

For cash flow hedges, when the hedged item is recognised in the income statement, amounts previously recognised in other comprehensive income and accumulated in equity for the hedging instrument are reclassified to the income statement. However, when the hedged transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

(xviii) Share-based transactions
Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The grant date is the date on which an employer and an employee agree the essential terms and conditions associated with the award. If shareholder approval is needed, the grant date is delayed until that approval has been obtained, unless shareholder approval is considered to be perfunctory.

The fair value is expensed through Separately reported items with a corresponding increase in equity through the share-based payment reserve, on a straight-line basis over the period that those employees provide services, and, assuming the performance criteria are met, the employees become unconditionally entitled to the awards.

The vesting period for these schemes may commence before the legal grant date if the employees have started to render services in respect of the award before the legal grant date, where there is a shared understanding of the terms and conditions of the arrangement. Expenses are recognised when the employee starts to render service to which the award relates. The fair value of the awards is calculated at each accounting reporting period until the final fair value is measured at the legal grant date.

The dilutive effect of outstanding share-based payments is commented upon as share dilution in the computation of EPS.

(xix) Revenue

When the Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts, but might typically be separately identified for mobile handsets, other equipment such as set-top boxes and routers provided to customers and services provided to customers such as mobile and fixed line communication services. Activities relating to connecting customers to the Group's network for the future provision of services are not considered to meet the criteria to be recognised as obligations except to the extent that the control of related equipment passes to customers.

The Group determines the transaction price to which it expects to be entitled in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts.

The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis; where standalone selling prices are not directly observable, estimation techniques are used maximising the use of external inputs. Revenue is recognised when the respective obligations in the contract are delivered to the customer. Revenue for the provision of services, such as mobile airtime and fixed line broadband, is recognised when the Group provides the related service during the agreed service period. If a service is delivered over a period of time then the revenue is recognised over such period. If a service is delivered at a point in time then the revenue is recognised at such time.

Revenue for equipment sales to end customers is generally recognised when the equipment is delivered to the end customer. For equipment sales made to intermediaries such as indirect channel dealers, revenue is recognised when control of the equipment has transferred to the intermediary and the intermediary has no right to return the equipment to receive a refund; otherwise revenue recognition is deferred until sale of the equipment to an end customer by the intermediary or the expiry of any right of return.

When the Group has control of goods or services prior to delivery to a customer, then the Group is the principal in the sale to the customer. As a principal, receipts from, and payments to, suppliers are reported on a gross basis in revenue and operating costs. If another party has control of goods or services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue in respect of the relevant obligations is recognised net of any related payments to the supplier and recognised revenue represents the margin earned by the Group.

Customers pay in advance for prepay mobile services and monthly for other communication services. Customers typically pay for handsets and other equipment either up-front at the time of sale or over the term of the related service agreement.

When revenue recognised in respect of a customer contract exceeds amounts received at that time, a contract asset is recognised; contract assets will typically be recognised for handsets or other equipment provided to customers where payment is recovered by the Group via future service fees. If amounts received from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised.

When contract assets or liabilities are recognised, a financing component may exist in the contract; this is typically the case when a handset or other equipment is provided to a customer up-front but payment is received over the term of the related service agreement, in which case the customer is deemed to have received financing. If a significant financing component is provided to any customer (for sale of equipment or other services), the transaction price is reduced and interest revenue is recognised over the customer's payment period using an interest rate reflecting the relevant central bank rates and customer credit risk.

(xx) Administrative expenses
Operating and administrative expenses predominantly relate to salaries, professional fees, customer acquisition and retention costs, depreciation and amortisation.

(xxi) Separately reported items
Separately reported items are income or costs considered to be individually material and either one off in nature or not directly related to the operations of the Group. Management believe that such items require separate presentation and disclosure to avoid distortion of the comparability of operational results between periods. In the FY25 Annual Report this definition specified that items had to be non-recurring. Management has reviewed this policy and excluded the qualification of non-recurring, and given the non-operational nature of the material items captured will report these separately to help clarify operational performance, even in the case of recurrence, along with one off transactions. There is no change to the FY25 Separately reported items as a result of this accounting policy update.

(xxii) Financing income
Finance income is income received from cash amounts held on account and is recorded in the Consolidated statement of comprehensive income. The cash received is recognised as an investing activity in the Consolidated statement of cash flows.

(xxiii) Finance expense
Interest paid is recorded as a finance expense in the Consolidated statement of comprehensive income, with cash paid recognised as financing activity in the Consolidated statement of cash flows.

(xxiv) Foreign currencies
Functional Currency
The Group's consolidated financial statements are presented in Euros, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions
Transactions in foreign currencies are initially recorded at the functional rate of currency prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the Group's functional currency at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period.

In the prior year the functional currency of the Group was changed from Sterling to Euros.

The results and financial position of Group entities with a functional currency other than Euros were translated as follows:

- Assets and liabilities for each balance sheet were translated at the closing rate at the translation date;
- Income and expenses for items impacting the consolidated comprehensive statement of income were translated at an average rate; and
- All resulting exchange differences were recognised in the Foreign Currency Translation Reserve.

(xxv) Non controlling interest
Non controlling interests "NCI" are measured initially at their proportionate share of the entity's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(xxvi) Discounts
The Group receives certain discounts from some suppliers. These are recognised as a reduction in the cost of services to which they relate, as those services are consumed.

(e) Current or non-current classification

Assets are classified as current in the consolidated statement of financial position where recovery is expected within 12 months of the reporting date. All assets where recovery is expected more than 12 months from the reporting date and all deferred tax assets, goodwill and intangible assets, property, plant and equipment and investments in associates and joint ventures are reported as non-current.

Liabilities are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. For provisions, where the timing of settlement is uncertain, amounts are classified as non-current where settlement is expected more than 12 months from the reporting date. In addition, deferred tax liabilities and post-employment benefits are reported as non-current.

(f) New accounting pronouncements to be adopted

Standards, amendments and interpretations effective and adopted by Zegona:

The accounting policies adopted in the presentation of the consolidated and Company financial statements reflect the adoption of the following amendments for annual periods beginning on or after 1 January 2026, none of which had a material effect on Zegona.

Standard	Effective date
Classification of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Renewable electricity contracts (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual improvements to IFRS Accounting Standards (Volume 11)	1 January 2026

Standards, amendments and interpretations issued but not yet effective:

The Group intends to adopt the following standards, amendments and interpretations, if applicable, when they become effective. Adopting these standards will not have a material impact on the Group:

Standard	Effective date
IFRS 19 - "Subsidiaries without Public Accountability: Disclosures"	1 January 2027
The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)	1 January 2027
Subsidiaries without Public Accountability Disclosures (Amendments to IFRS 19)	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027

*This standard is yet to be endorsed by the UK Endorsement Board.

We are currently assessing the impacts of IFRS 18 on the 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.

3. Revenue

Revenue reported for the Financial Year includes service revenue from contracts with customers as well as other revenue items including revenue from equipment revenue, leases and interest revenue arising from transactions with a significant financing component.

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Service revenue	3,123,688	2,666,089
Other revenue	503,856	348,532
Total Revenue	**3,627,544**	**3,014,621**

All revenue in the Financial Year to 31 March 2026 relates to Vodafone Spain and was earned in Spain. The comparative period shows 10 months of post-acquisition consolidated revenue only.

The Group is organised as a single business. The chief operating decision maker is considered to be the Board, which receives consolidated information, and therefore the Group's conclusion is that it has a single operating segment for which the measure of performance is the Group's consolidated loss for the Financial Year from continuing operations and all amounts required to be disclosed are the same as the equivalent consolidated amounts disclosed elsewhere in these financial statements.

Other revenue comprises: Equipment revenue €363,602k (FY25: €274,175k), Interest revenue €26,463k (FY25: €27,656k) and Other revenue €113,791k (FY25: €46,701k). The main driver for the increase in Other revenue is the additional 2 months in FY26 versus the comparative period (FY25 included only 10 months of Vodafone Spain's post acquiition operations) as well as

the accelerated release of deferred income arising as a result of the FiberCo transactions (€38,022k) and increased income from the sale of IPs (€12,937k).

Equipment revenue is recognised on a point in time basis; all other revenue is recognised over time. Deferred revenue recognised in this Financial Year, on the Balance Sheet at the FY25 Year end amounted to €82.6m (FY25 €46.3m).

4. Operating Profit

	Note	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Amortisation of intangible assets	10	452,594	272,016
Depreciation of property, plant and equipment	11		
Owned assets		519,503	483,228
Leased assets		486,582	343,844
Staff Costs	27	194,318	159,279
Amounts related to inventory included in cost of sales		455,317	365,936

Separately reported items

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Fees in relation to the acquisition of Vodafone Spain	—	40,364
Restructuring costs	6,796	144,064
Debt facility costs	17,238	77,892
Incentive scheme costs	97,951	132,450
One-off projects	46,088	—
Other	4,454	1,614
	172,527	**396,384**

In accordance with the accounting policy (Note 2.d.xxi), none of these separately reported items (or those in FY25) are directly related to the underlying operations of the business and are therefore reported separately.

Fees in relation to the acquisition of Vodafone Spain occurred only in FY25 and did not relate to the underlying operations.

Restructuring costs in FY26 relate to the restructuring of parts of Vodafone Spain's sales infrastructure and minor restructuring arising as a result of the FiberCo transactions, partially offset by the release of an unused portion of a prior year provision of €7m, and do not relate to the underlying operations (FY25 restructuring costs arose mainly as a result of the acquisition).

Debt facility costs related to repricing and refinancing (see Note. 21). Prior year cost related to losses on extinguishment of debt facilities post acquisition. These costs relate purely to financing activities and there are reported separately.
Incentive schemes costs include management incentive and share based payment charges which are not treated as part of the underlying operations of the business (see Note 29).

One-off projects costs mainly relate to professional fees incurred on the FibreCo transactions (€37,046k) and one off costs arising from contractual payments and advisor fees relating to the capital reorganisation (€5,425k), see note18.

Other items relate to costs incurred which are not considered to relate to the underlying business operations, including some arising from the acquisition, certain costs arising from the Purchase Price Allocation, and undertakings from the Fiberco.

Other comprehensive expense

Other comprehensive expense includes €1,995k of costs in relation to bad debts measured at fair value through other comprehensive income (15m ended 31 March 2025: €2,731k).

Auditor remuneration

The total remuneration of the Group's auditor EY LLP and other member firms of EY Global Limited, for services provided to the Group during the Financial Year ended 31 March 2026 is analysed below.

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Audit related	3,454	2,842
Non-audit related	491	1,421
Total fees	**3,945**	**4,263**

5. Finance Income And Financing Costs

Investment income comprises interest received from short-term investments and other receivables. Financing costs mainly arise from interest due on bonds, bank loans and the results of hedging transactions used to manage foreign exchange and interest rate movements.

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Investment income		
Bank interest	12,539	12,551
Interest income on promissory note	—	3,722
Other interest receivable	404	—
	12,943	**16,273**
Financing costs		
Bonds (note 21)	(96,583)	(107,802)
Interest on lease liabilities	(37,816)	(29,492)
Bank loans and overdraft interest (note 21)	(231,868)	(167,414)
Loan facility and banking fees	(9,271)	(37,255)
Loss on closure of cash flow hedges	(5,814)	(8,101)
Hedging ineffectiveness	(199)	—
Foreign exchange	6,250	(30,617)
	(375,301)	**(380,681)**

Included in Bank Loans and overdraft interest is the unwind of the discounting of the asset retirement obligation of €1.26m (FY25: €1.24m).

Loan facility and banking fees have reduced from €37.25m to €9.27m. Additional fees were incurred in the prior period due to the acquisition of Vodafone Spain and subsequent debt restructuring. Bank loans and overdraft interest increased from €167.41m to €231.87m due to the prior period only including 10 months of Vodafone Spain's post acquisition activity, from an increase in fees from ongoing operational activites. Foreign exchange costs were higher in the prior period due to the functional currency change in FY25.

6. Taxes

This note explains how the Group tax charge / credit arises. The deferred tax section of the note also provides information on the expected future tax charges / credits and sets out the tax assets held across the Group together with the view on whether or not we expect to be able to make use of these in the future.

Fiscal consolidation regime

The individual taxable income is included in the taxable income of the tax consolidation group of which Zegona Communications plc is the ultimate parent company and Vodafone Holdings Europe, S.L.U. is the representative parent company in Spain.

Tax charge for the Financial Year to 31 March 2026

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Current period	1,092	144
Deferred tax credit	(1,113)	(10,014)
Adjustments in respect of prior years	—	(1,283)
Income tax credit directly attributable to comprehensive loss for the period	**(21)**	**(11,153)**

Factors affecting the tax credit for the Financial Year

Below is a reconciliation between the accounting profit and the taxable income for corporation tax purposes:

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Loss before tax as shown in the consolidated statement of comprehensive loss	**(189,434)**	**(449,958)**
Tax on profit at standard UK rate of 25%	**(47,359)**	**(112,490)**
Expenses not deductible for tax purposes:	37,862	44,846
Effects of overseas tax rates	—	(92)
Amounts not recognised	10,506	57,866
Prior year adjustment	—	(1,283)
Utilisation of previously unrecognised losses	(1,030)	—
Income tax credit directly attributable to comprehensive loss for the period	**(21)**	**(11,153)**

The Group does not recognise further deferred assets as the Group's future profits are not currently seen as probable for the purposes of tax recognition. In the prior year there was an amount of €57.9m of tax credit not recognised, arising from losses made not recognised.

Analysis of movements in the net deferred tax liability balance during the Financial Year:

	€000
31 March 2025	—
Movement arising from acquisition of business	2,043
Credited to the statement of comprehensive income	(1,113)
31 March 2026	930

Deferred tax assets on losses

Deferred tax assets and liabilities, before offset of balances are as follows:

	Opening Gross deferred tax asset / (liability) at 31 March 2025 €000	Closing Gross deferred tax asset / (liability) at 31 March 2026 €000	Amount credited/(expensed) in the statement of comprehensive income €000
Business combination			
Customer relationships	(78,084)	(67,679)	12,448
Brand	(10,737)	(9,980)	757
Tangible assets	(2,551)	(2,466)	85
PPA deferred tax assets	91,372	79,195	(12,177)
IFRS 16	(204,334)	**(215,016)**	
IFRS 16	204,334	215,016	—
Total gross deferred assets	**295,706**	**294,211**	
Total gross deferred liabilities	**(295,706)**	**(295,141)**	
Credited to the statement of comprehensive income			**1,113**

The Group has tax losses of €5.6b (FY25: €5.3bn) which are available to offset against the future profits of the Spanish Group subsidiary companies. No deferred tax asset is recognised for these losses.

The UK entities have tax losses of €85.2m (FY25: €57.0m) which are available to offset against the future profits of the UK companies. No deferred tax asset is recognised for these losses due to the insufficient taxable UK profits. There is also a

temporary difference arising in respect of interest that is restricted and carried forward to be offset in future periods (subject to certain conditions being met). The gross temporary difference is €213.3m (FY25: €157.7m). No deferred tax asset has been recognised due to insufficient taxable UK profits. The Spanish entities within the Group have gross temporary differences arising in respect of interest that is restricted and carried forward to be offset in future periods (subject to certain conditions being met). The gross temporary difference is €658.7m. No deferred tax asset has been recognised due to insufficient taxable profits. The Spanish entities within the Group also have gross temporary differences of €1,040.7m arising and are carried forward to be offset in future periods (subject to certain conditions being met). No deferred tax asset is recognised for these losses due to the insufficient taxable Spanish profits.

The Group is within the scope of the Pillar Two rules. The Group has applied the mandatory exception under IAS 12 Income Taxes from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. Accordingly, no deferred tax assets or liabilities in respect of Pillar Two have been recognised. Based on the assessment performed to date, Pillar Two is not expected to have a material impact on the Group's effective tax rate or tax liabilities.

7. Assets Held For Sale

On 2 January 2025, the Group announced that Vodafone Holdings Europe, S.L.U. and MasOrange, S.L. had entered into a binding contract to create a new fibre network company in Spain ("PremiumFiber"). As such the related assets were classed as held for sale as at FY25 year end.

On 4 August 2025, GIC entered into an agreement to purchase a c.25% stake in PremiumFiber. This transaction closed on 4 December 2025 and the impacts are detailed in Note 13.

For information purposes the relevant assets and liabilities which were disclosed as Held for Sale in the FY25 Annual Report, are included in the table below. These were derecognised when the transaction completed.

	31 March 2026 €000	31 March 2025 €000
Non-current assets		
Property, plant & equipment	—	107,698
Assets held for sale	—	107,698

8. Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the Financial Year.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. Management shares in the share capital of Zegona Limited were issued in prior years and, on exercise, the value of these shares is expected to be delivered by the Company issuing new ordinary shares. Hence, the Management Shares could have a dilutive effect, although the Company has the right at all times to settle such value in cash.

As the Group made a loss in the periods ending 31 March 2026 and 31 March 2025 no dilutive impact is included in the loss per share.

	12 months ended 31 March 2026	15 months ended 31 March 2025
Loss for the period attributable to equity holders of the parent (€000)	(189,413)	(438,805)
Weighted average number of ordinary shares	639,155,594	724,314,109
Basic EPS (€)	(0.30)	(0.61)

9. Acquisitions

(a) FY26 transaction - Sercom

On 1 April 2025, Zegona, via Vodafone Holdings, S.L.U., acquired 100% of the share capital of Sercom Recargas, S.L.U. and Sercom Soluciones, S.L.U. (hereinafter, together "Sercom") for a purchase consideration of €16.9m. The relevant details of the acquisition are set out below.

The purchase consideration is composed of a fixed consideration amounting to €4.7m, a purchase price adjustment of €0.9m, and an earn-out, whose fair value at the acquisition date amounts to €11.3m.

The earn-out is expected to be settled through two cash payments, anticipated to take place in June 2028 and December 2029, respectively.

As a result of the acquisition, goodwill amounting to €9.5m has been recognised, representing the difference between the fair value of the total consideration transferred at the acquisition date and the fair value of the net assets acquired. Management considers the residual goodwill to represent a number of factors including the future growth of the Sercom business and the potential to achieve buyer specific synergies. None of the goodwill recognised is expected to be deductible for income tax purposes.

Sercom provides prepay SIM card sales channels. The Group acquired Sercom to expand control of its prepaid distribution channel, as Sercom is responsible for a large proportion of Vodafone Spain Prepaid SIM sales. Sercom's capabilities are complementary to Vodafone Spain's business as it will facilitate upstream control of the main Prepaid SIM distribution channel.

The acquisition balance sheet of Sercom as of 1 April 2025, after measuring the net assets at their fair value at the acquisition date, is as follows:

Identifiable assets acquired and liabilities assumed	**€000**
Intangible assets	8,024
Property, plant & equipment	51
Long term financial investments	40
Short term financial investments	25
Inventory	323
Trade and other receivables	682
Prepaid expenses	14
Cash and cash equivalents	1,437
Total assets acquired	**10,596**
Deferred tax liabilities	2,042
Other long term borrowings	1
Other short term borrowings	13
Trade and other payables	1,090
Total liabilities acquired	**3,146**
Total identifiable net assets at fair value	7,450
Total consideration paid	**16,930**
Goodwill	9,480

The acquired business contributed revenues of €28.2m and incurred a profit after tax of €1.3m in the Financial Year from 1 April 2025 to 31 March 2026.

Costs related to the acquisition of Sercom totalled €20k. Net cash acquired with the subsidiaries was €1.4m.

For the purposes of the Group's Interim Financial Report for the six months ended 30 September 2025 the accounting for this acquisition was provisional, in accordance with IFRS 3. Since then, the Company has worked with experts to ensure that the provisional amounts were updated to reflect the facts and circumstances as at the acquisition date. Consideration payable and the value of assets and liabilities acquired, including goodwill, have accordingly been updated in the above.

(b) FY25 transaction - Vodafone Spain Group

(i) Background

In the prior Period, on 31 May 2024, Zegona (via Zegona Bidco, S.L.U.) acquired 100% of the issued share capital of Vodafone Holdings Europe, S.L.U., and thereby the trading companies constituting Vodafone Spain, from Vodafone Europe B.V.(the "Seller"). The trading entities provide fixed-line, mobile, TV and digital market services delivering voice, data and value-added services. The consideration was €5 billion.

The acquisition was financed through a combination of equity and debt. Zegona issued shares and entered into the following underwritten financing package:

- €300m (£262m) in gross proceeds through the placing of 174,413,535 shares at a price per share of 150 pence;
- €900m (£785m) in gross proceeds through the conditional subscription of 523,240,603 shares at 150 pence per share to EJLSHM Funding Limited;
- gross proceeds of €0.5m (£0.5m) through a separate offering of shares at 150 pence per share;
- committed debt financing of €4,400m, which consisted of a term loan of €500m, a corporate bridge facility of €3,400m and a €500m RCF (which was not drawn upon at closing nor has been post-acquisition).

The acquired business contributed revenues of €2,666m and incurred a loss after tax of €82m in the period from 1 June 2024 to 31 March 2025 and was accounted for using the acquisition method.

(ii) Purchase consideration

- Headline purchase price for the acquisition was €5 billion and the consideration payable of €1,563m comprised:
- €900m transfer of promissory notes (other receivables) to the seller (non-cash);
- €290m transfer of cash in escrow (other receivables) to the seller;
- €454m cash transfer to the seller;
- €87m extinguishment of net receivables due from the seller (non-cash); less
- €168m SPA related liabilities assumed by acquirer.

The €900m promissory notes, €87m transfer of receivable and €168m SPA movement, were all non-cash movements related to the acquisition. Net cash movement was the €454m consideration less the €91m cash acquired, resulting in €363m cash used.

Immediately prior to the acquisition, with the consideration payable, €3,326m of pre-existing debt owed to the seller was extinguished by Zegona on behalf of Vodafone Spain. The subsequent loan payable of €3,326m from Vodafone Spain to Zegona is included as an acquired liability within the PPA as at 31 May 2024 and included as an investing cash flow in the Consolidated statement of cash flows.

(iii) Purchase price allocation

A summary of the Fair Value of the Assets and liabilities assumed is presented below:

Identifiable assets acquired and liabilities assumed	€000
Property, plant and equipment	3,912,709
Intangible assets	1,861,049
Trade and other receivables	1,149,411
Cash and cash equivalents	91,440
Inventory	39,738
Total assets acquired	**7,054,347**
Long-term borrowings to Zegona	(3,325,540)
Other long-term borrowings	(180,081)
Trade and other payables	(2,305,110)
Provisions	(180,191)
Deferred tax liabilities	(10,014)
Total liabilities acquired	**(6,000,936)**
Credit granted by seller	(60,000)
Total identifiable net assets at fair value	**993,411**
Difference fair value to equity value	737,589
Vodafone Spain net equity	**1,731,000**
SPA related matters affecting goodwill	(167,928)
Adjusted consideration	**1,563,072**
Goodwill	905,517

The full breakdown of the approach for the individual line items above is available from the Group's FY25 accounts.

10. Intangible Assets

The consolidated statement of financial position contains intangible assets in relation to the purchased goodwill and licences and spectrum arising from the prior year acquisition, as mentioned in Note 9.

Licences and spectrum are amortised over the life of the licence. Brand, Customer related intangible assets and computer software are amortised over the respective useful economic Lives. For further details see the relevant accounting policy in note 2.c to the consolidated financial statements.

	Goodwill	License and spectrum fees	Computer software	Customer-related intangible assets	Brands	Total
	€000	€000	€000	€000	€000	€000
Cost						
1 January 2024	—	—	—	—	—	—
Arising from acquisitions	905,517	678,547	247,133	576,892	358,477	2,766,566
Additions	—	4	43,067	247,384	—	290,455
Disposals	—	—	(4,008)	(88)	—	(4,096)
At 31 March 2025	**905,517**	**678,551**	**286,192**	**824,188**	**358,477**	**3,052,925**
Arising from acquisitions	9,480	—	88	7,936	—	17,504
Additions	—	—	45,172	280,043	—	325,215
Disposals	—	(8,000)	(6,439)	(652)	—	(15,091)
At 31 March 2026	**914,997**	**670,551**	**325,013**	**1,111,515**	**358,477**	**3,380,553**
Accumulated amortisation and impairment						
1 January 2024	—	—	—	—	—	—
Charge for the period	—	16,083	83,613	143,724	28,596	272,016
Disposals	—	—	(3,709)	(88)	—	(3,797)
At 31 March 2025	**—**	**16,083**	**79,904**	**143,636**	**28,596**	**268,219**
Charge for the period	—	24,729	90,529	303,003	34,332	452,593
Disposals	—	(564)	(5,905)	(652)	—	(7,121)
At 31 March 2026	**—**	**40,248**	**164,528**	**445,987**	**62,928**	**713,691**
Net book value						
At 31 March 2026	**914,997**	**630,303**	**160,485**	**665,528**	**295,549**	**2,666,862**
At 31 March 2025	905,517	662,468	206,288	680,552	329,881	2,784,706

For licences and spectrum fees, computer software, customer related-intangibles and other intangible assets, amortisation is included within the administrative expenses line within the statement of comprehensive income. The majority of Customer-related intangible asset additions in the year arose due to capitalisation of commissions in line with the Group policy.

Included in the net book value of computer software are assets in the course of construction, which are not amortised, with a cost of €26,038k (FY25:€28,043k). Capital creditor cash movement was €4.5m (FY25: €12.3m) in the Financial Year.

Included in the net book value of intangible assets is €799.5m of assets still in use but which are fully amortised.

11. Property, Plant And Equipment

The Group makes significant investments in network equipment and infrastructure, the base stations and technology required to operate our networks, that form the majority of our tangible assets. All assets are depreciated over their useful economic lives. For further details on the useful economic lives, see Material accounting policies in note 2.d to the consolidated financial statements.

	Land and buildings	Equipment, fixtures and fittings	Total
	€000	€000	€000
Cost			
At 1 January 2024	—	55	55
Arising from acquisitions	103,606	3,039,263	3,142,869
Additions	2,834	226,396	229,230
Disposals	(4,050)	(116,397)	(120,447)
Assets held for sale	—	(112,100)	(112,100)
At 31 March 2025	**102,390**	**3,037,217**	**3,139,607**
Arising from acquisitions	—	51	51
Additions	2,260	286,090	288,350
Disposals	(14,789)	(367,240)	(382,029)
At 31 March 2026	**89,861**	**2,956,118**	**3,045,979**
Accumulated depreciation and impairment			
1 January 2024	—	54	54
Charge for the period	10,659	472,569	483,228
Disposals	(4,049)	(104,525)	(108,574)
Assets held for sale	—	(4,402)	(4,402)
At 31 March 2025	**6,610**	**363,696**	**370,306**
Charge for the period	12,879	506,624	519,503
Disposals	(13,547)	(340,780)	(354,327)
At 31 March 2026	**5,942**	**529,540**	**535,482**
Net book value			
At 31 March 2026	**83,919**	**2,426,578**	**2,510,497**
At 31 March 2025	95,780	2,673,521	2,769,301

Included in the net book value of equipment, fixtures and fittings are assets in the course of construction, which are not depreciated, with a cost of €161,938k (FY25: €113,334k). Also included in the book value of equipment, fixtures and fittings are assets leased out by the Group under operating leases, with a cost of €327,550k (FY25: €339,670k), accumulated depreciation of €280,060k (FY25: €278,103k) and net book value of €47,490k (FY25: €61,567k). There are €6,217.8m of assets still in use but which are fully depreciated.

Additions during the year related principally to rollouts and technical installations at customer premises. Disposals related principally to equipment that had been fully depreciated.

Right-of-use assets arising from the Group's lease arrangements are presented below:

	31 March 2026	31 March 2025
	€000	€000
Property, plant and equipment (owned assets)	2,510,497	2,769,301
Right-of-use assets	826,567	764,389
Total	**3,337,064**	**3,533,690**

Additions of €599,969k (FY25: €392,764k), disposals of €51,209k (FY25: €54,371k) and a depreciation charge of €486,582k (FY25: €343,844k) were recorded in respect of right-of-use assets.

12. Impairment

Impairment occurs when the carrying value of assets is greater than the present value of the net cash flows they are expected to generate. We review the carrying value of assets at least annually. For the purpose of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash flows, in this case to a Vodafone Spain consolidated level, and these assets have been analysed for recoverability.

As at the Balance Sheet Date the Group held €915m of Goodwill which all related to the Vodafone Spain Group.

Key assumptions used in the value in use calculations
The key assumptions used in determining the value in use are:

Assumption	How determined
Projected EBITDAal	Projected EBITDAaL has been based on past experience, adjusted for Management´s expectations around the evolution of the telecommunications markets and future margin and revenue trends
Projected capex	The cash flow forecasts for capital expenditure are based on past experience and include the ongoing capital expenditure required to maintain our networks, provide products and services in line with customer expectations, including of higher data volumes and speeds, and to meet the population coverage requirements of certain of the Group's licences. Capital expenditure includes cash outflows for the purchase of owned property, plant and equipment and computer software.
Long-term growth rates	For the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity is applied immediately at the end of the five year forecast period and is based on the lower of: the nominal GDP growth rate forecasts; and the long-term compound annual growth rate in adjusted EBITDAaL as estimated by Management. Long-term compound annual growth rates determined by Management may be lower than forecast nominal GDP growth rates due to the following factors: competitive intensity levels, maturity of business, regulatory environment or sector-specific inflation expectations.
Post-tax discount rate	The assumptions used to develop discount rates for the cash-generating unit are benchmarked to externally available data: The risk-free rate is derived from an average yield of a ten-year bond issued by the government in each cash generating unit's respective country of operations; The forward-looking equity market risk premium (an investor's required rate of return over and above a risk free rate) is based on studies by independent economists, the long-term average equity market risk premium and the market risk premiums typically used by valuation practitioners; and The asset beta reflecting the systematic risk of the telecommunications segment relative to the market as a whole is determined from betas observed for comparable listed telecommunications companies.

Financial Year ended 31 March 2026 - Infinite Assets
The Group performs its annual impairment test for goodwill at 31 March and when there is an indicator of impairment of an asset. No impairment was recognised during the Financial Year to 31 March 2026.

Value in use assumptions
The table below shows key assumptions[32] used in the value in use calculation:

	Assumptions used in value in use calculations
Post-tax discount rate	9.52%
Long-term growth rate	1.0%
Projected EBITDAaL margin	36-37%
Projected capital expenditure	13-14%

The pre-tax discount rate reflected in the model was 13.68%.

Sensitivity analysis
The estimated recoverable amounts of the Group's operations in Spain exceed their carrying values by €2.7b. If the assumptions used in the impairment review were changed to a greater extent than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognised for the Financial Year ended 31 March 2026.

[32] Projected EBITDAaL and capital expenditure is expressed as the relevant metrics as a percentage of revenue in the initial five years of the plans used for impairment testing

	Increase / (decrease) required for carrying value to equal recoverable amount
Post-tax discount rate	550ppt[33]
Long-term growth rate	(500ppt)
Projected average EBITDAaL margin	(1400ppt)
Projected average capital expenditure	12500ppt

Financial Year ended 31 March 2026 - Finite Lived Assets

At each reporting period date, Management determine whether any internal or external sources of information observed are indicative that the carrying amount of any of the Group's finite lived asset is not recoverable. No significant changes to the business activities have taken place during the Financial Year to warrant an impairment, therefore, no impairment was recognised during the Financial Year to 31 March 2026.

13. Investment In Associates, Joint Ventures And Other Investments

FiberPass

Vodafone Spain has held an interest in FiberPass (Compañía Mayorista de Fibra, S.L.) whose principal business activity is the provision of optical fibre services to Vodafone Spain and Telefónica España since 1 March 2025. As at 31 March 2025, the carrying value in the Group Accounts was €598,096k, representing a 37% holding.

On 5 March 2026, Vodafone Spain completed the agreement for the reduction of its shareholding in FiberPass by 32% for consideration of €396m. A shareholder contribution of €16m was made in the period, resulting in net proceeds of €380m.

Following this transaction, due to the reduction in its shareholding and contractual removal of Board representation it was determined that the Group no longer had significant influence over the investment and so should account for its interest in FiberPass as a financial asset (having previously accounted for this as an equity accounted investment). The carrying value of the interest as at 31 March 2026 was €62m and is included within "Other Investments" in the Consolidated Statement of Financial Position.

Up to the date of sale of its 32% shareholding, the Group recognised in the Consolidated Statement of Comprehensive Income a share of profit from equity-accounted investments of €3m, corresponding to 37% of the results generated by FiberPass during the relevant period. There was also a return of capital to equity holders of €118m in the year. In addition, upon completion of the reduction in shareholding, an impairment loss of €42m was recognised and recorded in the Consolidated Statement of Comprehensive Income as "Impairment of equity accounted investment", reflecting the fair value of the investment at the date of disposal.

PremiumFiber

On 2 January 2025 Vodafone Spain entered into an agreement with MasOrange S.L. to create a new fibre network company in Spain, combining network assets to create a network covering approximately 12.2 million households across Spain. As a result, the relevant assets that the Group would contribute to the network company were disclosed as Held for Sale in the FY25 Annual Report.

The transaction was completed on 4 December 2025 to create PremiumFiber, S.L. (PremiumFiber) with the Group having contributed its FTTH network and granted access to use certain infrastructure of Vodafone Spain. Following consideration of the rights of the shareholders in PremiumFiber, including the Group's representation on its Board, management has assessed that PremiumFiber is a joint arrangement which should be recognised as an associate via the equity method.

At the transaction date the Group received net proceeds of €1.4b, comprising of €494m from a distribution, €476m arising from the transfer of IRU and €415m arising from the Master Service Agreement ("MSA"). A resulting contract liability in Trade and Other Payables was recognised by the Group, which will be subsequently recognised in the Consolidated Statement of Comprehensive Income over the period of the MSA (see note 16).

Certain previous contractual arrangements held by Vodafone Spain were impacted by this new transaction; these have been recognised in the Income Statement as the Group no longer has obligations under these.

[33] Percentage points

The carrying value of PremiumFiber, S.L. as at 31 March 2026 was €236m, and Vodafone Spain holds a 16.89% interest. During the period from 4 December 2025 to 31 March 2026, a charge of €6m was recognised as a result of the application of equity method accounting. The associate in which the Group holds an interest is not listed on an active market. Summarised financial information for the Audited Financial Year of PremiumFiber (to 31 December 2025), on a 100% ownership basis is set out below. Given the difference in Financial year end, the Group has presented PremiumFiber's audited results to 31 December and included Management Account information to the consolidated Group figures, to account for the entity as at the Group's year end.

Income Statement

	Period from 16 January 2025 to 31 December 2025
	€m
Revenue	38
Operating expenses	(6)
Depreciation and amortisation	(22)
Finance cost	(21)
Tax	2
Loss for the period	(9)

Statement of financial position

	As at 31 December 2025
	€m
Non-current assets	7,833
Current assets	612
Cash	40
Total assets	8,485
Equity shareholders' funds	1,421
Current liabilities	6,428
Non-current liabilities	636
Total equity and liabilities	8,485

Summary of investments

31 March 2026			% of equity share		Voting rights	
Name of associate	**Domicile**	**Principal activity**	**Direct**	**Indirect**	**Direct**	**Indirect**
PremiumFiber	Spain	Network operator	16.89%	—	16.89%	—

31 March 2025			% of equity share		Voting rights	
Name of associate	**Domicile**	**Principal activity**	**Direct**	**Indirect**	**Direct**	**Indirect**
FiberPass	Spain	Network operator	37%	—	37%	—

14. Financial Instruments

The following tables shows the carrying amounts and the fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities measured at amortised cost as their carrying amount is a reasonable approximation of fair value.

Financial instrument classification and fair values

	Fair value 2026 €000	Amortised cost 2026 €000	Fair value 2025 €000	Amortised cost 2025 €000
Trade receivables	41,961	—	86,957	—
Contract assets	—	68,411	—	61,126
Contract-related costs	—	6,338	—	5,883
Other receivables	—	50,118	—	39,445
Prepayments	—	15,566	—	45,077
Derivative financial assets	7,676	—	19,399	—
Total non-current financial assets	**49,637**	**140,433**	**106,356**	**151,531**
Trade receivables	48,165	387,024	92,731	238,050
Amounts owed by associated companies	—	4,361	—	101,010
Contract assets	—	163,236	—	170,917
Contract-related costs	—	13,473	—	12,550
Other receivables	—	91,465	—	155,417
Prepayments	—	168,341	—	169,838
Taxation recoverable	—	1,123	—	156
Derivative financial assets	4,807	—	9,534	—
Total current financial assets	**52,972**	**829,023**	**102,265**	**847,938**

	Fair value 2026 €000	Amortised cost 2026 €000	Fair value 2025 €000	Amortised cost 2025 €000
Other payables	—	134,489	—	129,753
Derivative financial liabilities	59,440	—	40,181	—
Accruals	—	646	—	1,471
Contract liabilities	—	2,011,734	—	505,020
Total non-current financial liabilities	**59,440**	**2,146,869**	**40,181**	**636,244**
Trade payables	—	763,665	—	878,819
Other taxes and social security payable	—	79,988	—	166,058
Other payables	—	138,751	—	258,779
Derivative financial liabilities	1,142	—	1,074	—
Accruals	—	291,983	—	238,209
Contract liabilities	—	117,304	—	92,617
Total current financial liabilities	**1,142**	**1,391,691**	**1,074**	**1,634,482**

The increase in contract liabilities primarily reflects the recognition of consideration received in advance in respect of the exclusivity rights granted to Vodafone Spain as part of the FiberCos transactions. These amounts are recognised in the Consolidated Statement of Comprehensive Income in line with the provision of service over the term of the underlying contracts.

Derivative financial assets and liabilities and trade receivables held at fair value through other comprehensive income are measured at fair value based on Level 2 within the fair value hierarchy, which comprises items where fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. There were no transfers between fair value hierarchies during the Financial Year.

15. Trade And Other Receivables

Trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Derivative financial instruments with a positive market value are reported within this note as are contract assets, which represent an asset for accrued revenue in respect of goods or services delivered to customers for which a trade receivable does not yet exist, and finance lease receivables recognised where the Group acts as a lessor. See note 24 'Leases' for more information on the Group's leasing activities.

	As at 31 March 2026 €000	As at 31 March 2025 €000
Included within non-current assets		
Trade receivables held at fair value through other comprehensive income	41,961	86,957
Contract assets	68,411	61,126
Contract-related costs	6,338	5,883
Other receivables	50,118	39,445
Prepayments	15,566	45,077
Derivative financial assets	7,676	19,399
	190,070	**257,887**
Included within current assets		
Trade receivables (see breakdown below)	387,024	238,050
Trade receivables held at fair value through other comprehensive income	48,165	92,731
Amounts owed by associated companies	4,361	101,010
Contract assets	163,236	170,917
Contract-related costs	13,473	12,550
Other receivables	91,465	155,417
Prepayments	168,341	169,838
Taxation recoverable	1,123	156
Derivative financial assets	4,807	9,534
	881,995	**950,203**

The Group's trade receivables and contract assets are classified at amortised cost unless stated otherwise and are measured after allowances for future expected credit losses, see note 25 'Capital and financial risk management' for more information on credit risk.

The carrying amounts of trade and other receivables, which are measured at amortised cost, approximate their fair value and are predominantly non-interest bearing.

The Group's contract-related costs comprise €19,811k (FY25: €18,429k) relating to costs incurred to fulfil customer contracts and an amortisation and impairment expense of €17,510k (FY25: €13,542k) was recognised in operating profit during the Financial Year.

Total trade and other receivables for the Group at 31 March 2026 include current prepayments of €39,944k (31 March 2025: €36,890k) and non-current prepayments of €9,986k (31 March 2025: €38,502k), relating to amounts prepaid to Vodafone Group plc for continuing services, and which are not financial assets.

During the Financial Year trade receivables increased from €417,738k as at 31 March 2025 to €477,150k as at 31 March 2026 mainly related to ongoing reviews of bad debts with net movements in the provision being recognised in the income statement, in accordance with applicable accounting standards.

In the Financial Year Other receivables reduced from €195m as at 31 March 2025 to €142m as at 31 March 2026. As at 31 March 2026, non-current Other receivables related predominantly to recoverable sales tax of €22m (FY25: €25m), and deposits paid of €13m (FY25: €9m). Current Other receivables related predominantly to Business Activity Tax receivable of €45m (FY25: €91m), recoverable sales tax of €11m (FY25: €15m), deposits paid of €18m (FY25: €29m) and prepaid debt facility fees of €7m (FY25: €8m). The receivables balance decrease in the year mainly due to the amounts outstanding as at 31 March 2025 being received in the financial year.

Amounts owed by associated companies reduced from €101m to €4m during the Financial Year as a result of an amount owed by FiberPass being repaid.

Breakdown of trade receivables by ageing bracket

As at 31 March 2026	Not due	< 30 days	31-60 days	61-180 days	> 180 days	Total
Gross carrying amount < 1 year *	158,825	24,535	14,523	62,036	244,545	504,464
Expected credit loss rate	2.5 %	1.1 %	29.1 %	33.4 %	36.1 %	
Expected credit loss	(3,913)	(264)	(4,220)	(20,716)	(88,327)	(117,440)
Net carrying amount	**154,912**	**24,271**	**10,303**	**41,320**	**156,218**	**387,024**

As at 31 March 2025	Not due	< 30 days	31-60 days	61-180 days	> 180 days	Total
Gross carrying amount < 1 year *	148,788	30,768	16,214	74,031	159,975	429,776
Expected credit loss rate	2.8 %	1.7 %	24.6 %	47.4 %	92.5 %	
Expected credit loss	(4,171)	(526)	(3,986)	(35,060)	(147,983)	(191,726)
Net carrying amount	**144,617**	**30,242**	**12,228**	**38,971**	**11,992**	**238,050**

*held at amortised cost

Amounts related to contract assets and trade receivables held at fair value through other comprehensive income are not yet due.

Provision for expected credit loss movement

As at 31 March 2026	Trade receivables held at amortised cost due < 1 year	Trade receivables held at fair value through other comprehensive income	Contract assets
Opening balance	(191,726)	(4,816)	(9,162)
(Charges)/Credit	16,911	1,995	(5,159)
Other	57,375	—	6,394
Closing balance	**(117,440)**	**(2,821)**	**(7,927)**

As at 31 March 2025	Trade receivables held at amortised cost due < 1 year	Trade receivables held at fair value through other comprehensive income	Contract assets
Opening balance	(169,749)	(7,540)	(9,514)
(Charges)/Credit	(78,717)	2,724	(5,291)
Other	56,741	—	5,643
Closing balance	**(191,725)**	**(4,816)**	**(9,162)**

Other movements relate primarily to the utilisation of the provision by way of write-off or write-back.

ECL credit/cost to the Income Statement in the Financial Year was a credit of €14m, of which €18m related to trade receivables at amortised cost, €2m related to trade receivables held at fair value through OCI and €(6)m related to contract assets (FY25: a cost of €81m).

16. Trade And Other Payables

Trade and other payables mainly consist of amounts owed to suppliers that have been invoiced or are accrued and contract liabilities relating to consideration received from customers in advance. They also include taxes and social security amounts due in relation to the Group's role as an employer.

	As at 31 March 2026 €000	As at 31 March 2025 €000
Included within non-current liabilities		
Other payables	134,489	129,753
Derivative financial liabilities	59,440	40,181
Accruals	646	1,471
Contract liabilities	2,011,734	505,020
	2,206,309	**676,425**
Included within current liabilities		
Trade payables	763,665	878,819
Other taxes and social security payable	79,988	166,058
Other payables	138,751	258,779
Derivative financial liabilities	1,142	1,074
Accruals	291,983	238,209
Contract liabilities	117,304	92,617
	1,392,833	**1,635,556**

Notes: Items are measured at fair value and the valuation basis is level 2 classification, which comprises items where fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Contract liabilities have increased primarily driven by the FiberCo transactions (see note 13). Of which €1,080m related to the Master Service Agreement (of which cash received was €415m), with a further €476m from IRUs and will be recognised over the term of the Master Service Agreement through the Consolidated Statement of Comprehensive Income, via the systematic unwind from Trade and Other Payables. In FY26 €60m has been recognised in the Consolidated Statement of Comprehensive Income .

At the reporting date, contract liabilities amounted to €466m for FiberPass and €1,543m for PremiumFiber, respectively.

Other taxes and social security payable have decreased mainly due to VAT payments related to the FiberCo transactions, partially offset by withholding tax payable due in FY27.

The carrying amounts of trade and other payables approximate their fair value.

17. Provisions

A provision is a liability recorded in the Consolidated statement of financial position, where there is uncertainty over the timing or amount that will be paid, and is therefore often estimated. The main provisions at 31 March 2026 relate to asset retirement obligations, which include the cost of returning network infrastructure sites to their original condition at the end of the lease and claims for legal and regulatory matters.

	Asset retirement €000	Legal / regulatory €000	Restructuring €000	Other €000	Total €000
At 31 December 2023	—	—	—	—	—
Arising from acquisition	61,457	43,543	39,935	35,256	180,191
Amounts charged to Income Statement	1,241	14,970	145,254	—	161,465
Utilised in period	(3,765)	(5,928)	(102,813)	(29,716)	(142,222)
Released to Income Statement	565	(12,300)	(1,127)	(21,426)	(34,288)
Other movements	698	139,547	—	84,195	224,440
At 31 March 2025	**60,196**	**179,832**	**81,249**	**68,309**	**389,586**
Amounts charged to Income Statement	1,261	49,770	3,468	—	**54,499**
Utilised in period	(6,687)	(11,884)	(33,553)	—	**(52,124)**
Released to Income Statement	—	(11,461)	(10,033)	(19,063)	**(40,557)**
Other movements	1,914	92,540	—	—	**94,454**
At 31 March 2026	**56,684**	**298,797**	**41,131**	**49,246**	**445,858**

Current / non-current	Asset retirement	Legal / regulatory	Restructuring	Other	Total
Current liabilities	3,684	250,253	29,348	19,063	**302,348**
Non-current liabilities	53,000	48,544	11,783	30,183	**143,510**
At 31 March 2026	56,684	298,797	41,131	49,246	**445,858**

Current / non-current	Asset retirement	Legal / regulatory	Restructuring	Other	Total
Current liabilities	1,904	127,944	64,617	19,063	**213,528**
Non-current liabilities	58,292	51,888	16,632	49,246	**176,058**
At 31 March 2025	60,196	179,832	81,249	68,309	**389,586**

Restructuring

As at 31 March 2026 there was a provision of €41m relating to costs and closure of stores from a change in sales channel strategy and the outflow of cash is expected within 12 months. Utilisation and release in the year related to the payment of prior year provisions related to the acquisition

Legal/regulatory

Other movements mainly relate to expected costs associated with legal proceedings concerning access rights, with releases and utilisation being driven by a number of resolution of ongoing cases (in favour and against the Group).

Other

The €19m release in FY26 in Other is driven by the release of a provision created in relation to a contract assumed as part of the acquisition of Vodafone Spain, which was revalued as part of the Purchase Price Allocation undertaken in FY25. As at the year end, the majority of the outstanding Other balance relates to the remainder of this provision.

18. Share Capital

Allotted, called up and fully paid

	2026 Number	31 March 2026 €000	2025 Number	31 March 2025 €000
At 1 January	759,209,905	8,971	704,149,410	8,312
Shares issued	—	—	55,060,495	659
Share purchases and cancelled under the buyback programme	(7,335,500)	(94)	—	—
Redesignation of EJL Shares into Deferred Shares prior to cancellation	(523,240,603)	(6,000)	—	—
At period end	**228,633,802**	**2,877**	**759,209,905**	**8,971**

The nominal value of the total ordinary shares is £0.01 and the total allotted, called up and fully paid equates to £2,286,338 (FY25: £7,592,010).

All ordinary shares confer identical rights including in respect of capital, dividends and voting. Save for those required by applicable law, there are no restrictions on the distribution of dividends or the repayment of capital by Zegona.

Return of value to shareholders and share capital reorganisation

During the year, the Company undertook a return of value to shareholders and share capital reorganisation comprising: (i) commencement of an on-market share buyback programme; (ii) a special dividend; (iii) a redesignation of certain Ordinary Shares into Deferred Shares with negligible economic rights; and (iv) an off-market buyback and cancellation of those deferred shares.

On-market share buyback programme

On 12 December 2025, Zegona commenced a share buyback programme, providing for on-market purchases, up to a total aggregate consideration of €200m with Canaccord Genuity Limited ("the Buyback Programme"). During the year, the Company purchased 7,335,500 of Ordinary Shares for an aggregate consideration of €139m. The Ordinary Shares purchased under the Buyback Programme were cancelled and a capital redemption reserve created equal to the higher of (i) the share capital repurchased translated at the spot rate at the date of cancellation; and (ii) the share capital repurchased translated at the average historical rate previously used to record the company's share capital. The programme will continue to be in place until the €200.0m cap is reached or otherwise announced by the Company.

Redesignation into deferred shares and off-market buyback

On 7 January 2026, 523,240,603 ordinary shares, representing 69% of the issued share capital, held by EJLSHM Funding Limited ("EJL Shares") were redesignated, on a one for one basis, into deferred shares of £0.01 each ("the Deferred Shares"). The Company subsequently purchased and cancelled all 523,240,603 Deferred Shares from EJLSHM Funding Limited for aggregate consideration of £1.00. A capital redemption reserve was recorded of €6,044k being equal to the share capital translated at the spot rate at the date of the cancellation.

The difference between the nominal value of shares cancelled translated at the historical rate previously used to record this share capital and the capital redemption reserve has been recorded in retained earnings as share capital repurchase difference.

19. Reserves

Cancellation of Share premium account

Following the approval at the Company's AGM on 24 September 2025, the Company made an application to the High Court, together with a lodgement of the Company's statement of capital with the Registrar of Companies, and the Company was permitted to cancel its share premium account in full, an amount of €1,229m. This was effected on 30 October 2025 by a transfer of that amount from the share premium account to retained earnings, which forms part of the distributable reserves of the Company.

In FY25, following the approval at the Company's AGM on 28 June 2024, the Company made an application to the High Court, together with a lodgement of the Company's statement of capital with the Registrar of Companies, and the Company was permitted to reduce the capital of the Company by an amount of £160m. This was affected on 1 August 2024 by a transfer of that amount from the share premium account to the Capital Reduction Reserve, which forms part of the distributable reserves of the Company.

Capital Redemption Reserve

The capital redemption reserve is a requirement under the Companies Act 2006 and is a non-distributable reserve. When the Company buys back shares out of profits and the shares are immediately cancelled, the amount equal to the nominal value of the shares must be transferred from distributable profits to the capital redemption reserve.

During the year, the capital redemption reserve increased by €6,138k. This reserve was increased to maintain the Company's capital and this increase reflects (i) the nominal value of the GBP denominated Ordinary Shares that were purchased and cancelled under the Buyback Programme, translated at the average historical exchange rate applied when the share capital was originally recognised; and (ii) the EUR equivalent of the nominal value of the GBP denominated Deferred Shares that were repurchased and cancelled pursuant to the Deferred Share Buyback Contract, translated at the spot exchange rates prevailing on the respective cancellation dates.

Foreign Currency Translation Reserve

In FY26 there was a reclassification of €2m between Retained Earnings and the Foreign Currency Translation Reserve due to differences arising from the change in presentational currency, noted upon finalisation of a subsidiary company's Financial Statements in FY25.

20. Dividends

On 11 December 2025, the Board of Directors declared a single special dividend amounting to €1.4b (€1.8632 per share) which was conditional upon a resolution to affect the repayment of the EJLSHM Funding being passed at the General Meeting. This resolution was subsequently approved by shareholders in a General Meeting on 22 December 2025 and the dividend was paid on 7 January 2026.

The special dividend payable in respect of the shares held by EJLSHM Funding, an amount of €974m, was paid directly to Vodafone Consolidated Holdings Limited in order to facilitate the redemption of the special shares issued by EJLSHM Funding and payment of the contractual coupon rate. Upon redemption these shares were subsequently cancelled.

No dividends were paid in the comparative period.

21. Borrowings

The Group's sources of borrowing for funding and liquidity purposes arise from committed bank facilities and through long-term issuances in the capital markets including bond issuances and bank loans. Liabilities arising from the Group's lease arrangements are also reported in borrowings; see note 24 'Leases'. We manage the basis on which we incur interest on debt between fixed interest rates and floating interest rates depending on market conditions using interest rate derivatives. The Group enters into foreign exchange contracts to mitigate the impact of exchange rate movements on certain monetary items.

Throughout the Financial Year and as at 31 March 2026, the Group had an undrawn Revolving Credit Facility ("RCF") of €500m,

As at 31 March 2026 the Group held the following facilities:

- €1,320m Senior Secured Notes due 2029;
- USD $810m Senior Secured Notes due 2029; and
- €1,665m 5 year term loan facility B ("TLB"), of which €364m was hedged against interest rate movements.

Term Loan A ("TLA") and RCF Repricing

In April 2025, the Group successfully completed the repricing of our €500m TLA Euro and RCF facilities (due 2029) reducing our interest rate margin by 125 bps, from Euribor + 4.25% to +3.00% for TLA and Euribor +3.75% to +2.50% for the RCF.

Refinancing

On 31 July 2025, the Group announced the successful repayment of the TLA, and part repayment of the Secured Notes (Euro and USD) via an extension of the Term Loan B and an extension of the Euro Secured Notes (the "Refinancing").

The Refinancing comprised debt repayment and extensions as follows:

- Extension of the TLB facility by €575m (at Euribor +3.00%);
- Issuance of a further €150m EUR Senior Secured Notes due 2029 (at a yield to worst of 4.3%);
- Repayment of $90m USD Senior Secured Notes (yield of 8.625%);
- Repayment of €130m EUR Senior Secured Notes (yield of 6.75%); and
- Repayment in full of the TLA facility of €500m (originally issued at Euribor + 4.25%).

Term Loan B Repricing and Repayment

The margin on the TLB reduced to +2.75%, in September 2025. In January 2026, the TLB was restructured into two facilities of €1,665m and €200m, with the margin on the former reduced to +2.25%.

In March 2026, the €200m tranche was repaid using the proceeds from the part disposal of the Group's interest in FiberPass (see Note 13. Investment In Associates, Joint Ventures And Other Investments).

As at 31 March 2026 the remaining Term Loan B, €1,665m, due 2029, has an applicable interest of Euribor +2.25%, of which €364m was hedged against interest rate movements.

Senior Secured Notes

The Group has two Secured Notes used for mid to long term funding. These are Euro notes, €1,320m at 6.750%, due 2029 and USD notes, $810m at 8.625%, due 2029. Prior to 15 July 2026, the Group is entitled, at its option, to redeem all or a portion of the Secured Notes by paying a "make-whole" premium. At any time on or after 15 July 2026, the Group may redeem all or part of the Secured Notes at predefined redemption prices. These bonds are listed on the Luxembourg stock exchange.

As at 31 March 2026 the Secured Notes and TLB Euro remained fully drawn, with the €500m Revolving Credit Facility, entered into as part of the original financing, remaining undrawn throughout the Financial Year. The loans are secured with charges over Zegona Finance plc, Zegona Holdco Limited, Zegona Midco Limited and Vodafone Holdings Europe, S.L.U..

In relation to the drawn debt, there is a leverage covenant relating to the ratio between indebtedness and EBITDAaL, which has been tested to show the Group complied during the Financial Year and at the Financial Year end. This covenant is required to be tested at September (half year) and March full year and is reported upon quarterly. The covenant ratio decreases from the end of FY27.

Financing costs mainly arise from interest due on bonds and term loans, and the results of hedging transactions used to manage foreign exchange and interest rate movements.

	As at 31 March 2026 €000	As at 31 March 2025 €000
Non-current borrowings		
Senior Secured Notes USD, due 2029	701,086	840,573
Senior Secured Notes EUR, due 2029	1,320,000	1,300,000
Premium on notes	7,411	—
Term loan A	—	500,000
Term loan B	1,665,000	1,290,000
	3,693,497	3,930,573
Less: capitalised loan fees	(5,560)	(12,453)
Borrowings	**3,687,937**	**3,918,120**

All borrowings are non-current. As noted in the table above, there are €5,560k of capitalised loan transaction costs, €1,752k (FY25: €3,400k) are current and the remainder are non current.

The fair value of the Group's financial liabilities held at amortised cost approximate to fair value.

22. Reconciliation Of Net Cash Flow From Operating Activities

	Notes	For the 12 months ended 31 March 2026 €000	For the 15 months ended 31 March 2025 €000
Cash flows from operating activities			
Loss for the period		**(189,413)**	**(438,805)**
Reconciliation of loss for the period to operating cash flows:			
Tax credit		(21)	(11,153)
Depreciation and amortisation		1,458,679	1,099,088
Share-based payment expense		44,789	90,291
Finance income		(12,943)	(16,273)
Finance costs		375,301	380,681
Movements in derivatives	15,16	—	3,872
Movement in ECL	25	(13,747)	81,285
Share of loss in associate or joint venture		2,527	—
Loss on disposal of fixed assets		1,882	—
Impairment charge		41,569	—
Losses on repayment of borrowings		10,226	—
Working capital adjustments			
Decrease/(increase) in trade and other receivables		116,868	(29,428)
(Decrease)/increase in trade and other payables excluding proceeds from PremiumFiber		(247,088)	267,918
(Increase) in inventories		(2,297)	(6,074)
Proceeds from PremiumFiber transaction	13	890,865	—
Net cash inflow from operating activities		**2,477,197**	**1,421,402**

Proceeds from the PremiumFiber transaction received in the year totalled €1.4b. In accordance with the requirements of IAS 7 Statement of Cash flows, this upfront receipt has been disclosed in the Consolidated Statement of Cash Flows reflecting the underlying accounting components: investing activities of €494m, being the equity distribution received; and operating activities of €891m, being €476m arising from the transfer of IRU and €415m arising from the Master Service Agreement.

23. Cash And Cash Equivalents

	31 March 2026 €000	31 March 2025 €000
Cash and bank deposits	518,806	207,989
	518,806	**207,989**

24. Leases

The Group leases assets from other parties (the Group is a lessee) and also leases assets to other parties (the Group is a lessor). For further details see 'Critical accounting judgements and key sources of estimation uncertainty' and 'Material accounting policies' in note 2.a 'Basis of preparation' to the consolidated financial statements.

The Group's leasing activities as a lessee

The Group leases buildings for its retail stores, offices and data centres, land on which to construct mobile base stations, space on mobile base stations to place active RAN equipment and network space (primarily rack space or duct space). In addition, the Group leases fibre and other fixed connectivity to provide internal connectivity for the Group's operations and on a wholesale basis from other operators to provide fixed connectivity services to the Group's customers.

Most of the Group's leases include future price increases through fixed percentage increases, indexation to inflation measures on a periodic basis or rent review clauses. Other than fixed percentage increases the lease liability does not reflect the impact of these future increases unless the measurement date has passed. The Group's leases contain no material variable payments clauses other than those related to the number of operators sharing space on third party mobile base stations.

Optional lease periods

Where practicable the Group seeks to include extension or break options in leases to provide operational flexibility, therefore many of the Group's lease contracts contain optional periods. The Group's policy on assessing and reassessing whether it is reasonably certain that the optional period will be included in the lease term is described in note 2.a 'Basis of preparation' under 'Critical accounting judgements and key sources of estimation uncertainty'.

After initial recognition of a lease, the Group only reassesses the lease term when there is a significant event or a significant change in circumstances, which was not anticipated at the time of the previous assessment. Significant events or significant changes in circumstances could include merger and acquisition or similar activity, significant expenditure on the leased asset not anticipated in the previous assessment, or detailed management plans indicating a different conclusion on optional periods to the previous assessment. Where a significant event or significant change in circumstances does not occur, the lease term and therefore lease liability and right-of-use asset value, will decline over time.

The Group's cash outflow for leases in the Financial Year ended 31 March 2026 was €557m (FY25: €491m) and absent significant future changes in the volume of the Group's activities or other strategic or structural changes to the Group resulting in the use of more or fewer owned assets, this level of cash outflow from leases would be expected to continue for future periods, subject to contractual price increases.

The future cash outflows included within lease liabilities are shown in the maturity analysis below. The maturity analysis only includes the reasonably certain payments to be made; cash outflows in these future periods will likely exceed these amounts as payments will be made on optional periods not considered reasonably certain at present and on new leases entered into in future periods.

The Group's leases for customer connectivity are normally either under-regulated access or network sharing or similar preferential access arrangements and as a result the Group normally has significant flexibility over the term it can lease such connections for; generally the notice period required to cancel the lease is less than the notice period included in the service contract with the end customer. As a result, the Group does not have any significant cash exposure to optional periods on customer connectivity as the Group can cancel the lease when the service agreement ends. In some circumstances the Group is committed to minimum spend amounts for connectivity leases, which are included within reported lease liabilities.

Amounts recognised in the primary financial statements in relation to lessee transactions

Right-of-use assets

The carrying value of the Group's right-of-use assets, depreciation charge for the Financial Year and additions during the Financial Year are disclosed in note 11 'Property, plant and equipment'.

Lease liabilities

The maturity profile of the Group's lease liabilities is as follows:

	31 March 2026 €000	31 March 2025 €000
Within one year	359,262	379,091
In more than one year but less than two years	221,639	216,772
In more than two years but less than three years	179,019	185,122
In more than three years but less than four years	97,055	134,798
In more than four years but less than five years	72,362	55,114
In more than five years	242,374	125,136
	1,171,711	**1,096,033**
Effect of discounting	(136,848)	(90,780)
Lease liabilities	**1,034,863**	**1,005,253**

Interest expense on lease liabilities for the Financial Year is disclosed in Note 5 'Net financing costs'.

The Group has no material liabilities under residual value guarantees and makes no material variable payments not included in the lease liability. The Group does not apply either the short-term or low-value expedient options in IFRS 16.

The Group's leasing activities as a lessor

The Group has a wide range of lessor activities with consumer and enterprise customers, other telecommunications companies and other companies. With consumer and enterprise customers, the Group generates lease income from the provision of handsets, routers and other communications equipment. The Group provides wholesale access to the Group's fibre and cable networks and leases out space on the Group's owned mobile base stations to other telecommunications companies.

Lessor transactions are classified as operating or finance leases based on whether the lease transfers substantially all of the risks and rewards incidental to ownership of the asset. Leases are individually assessed, but generally, the Group's lessor transactions are classified as:

- Operating leases where the Group provides routers or similar equipment to fixed customers; and
- Operating leases where the Group is lessor of space on owned mobile base stations, provides wholesale access to its fibre and cable networks or provides space in their offices.

The Group's income as a lessor in the Financial Year is as follows:

	31 March 2026 €000	31 March 2025 €000
Operating leases		
Lease revenue	79,190	37,691
Income from leases not recognised as revenue	1,960	1,898

The committed amounts to be received from the Group's operating leases are as follows:

	Maturity						
	Within one year	In one to two years	In two to three years	In three to four years	In four to five years	In more than five years	Total
	€000	€000	€000	€000	€000	€000	€000
Committed operating lease payments due to the Group as a lessor							
31 March 2026	1,708	1,325	645	245	197	288	4,408
31 March 2025	1,829	1,448	1,166	491	104	162	5,200

The Group has no material lease income arising from variable lease payments.

25. Capital And Financial Risk Management

This note details the treasury management and financial risk management objectives and policies, as well as the exposure and sensitivity of the Group to credit, liquidity, interest and foreign exchange risk, and the policies in place to monitor and manage these risks. The Group's policy is to borrow centrally using long-term capital market issues and borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries.

Trade receivables

Trade receivables represent amounts owed by customers where the right to receive payment is conditional only on the passage of time. Trade receivables that are recovered in instalments from customers over an extended period are discounted at market rates and interest revenue is accreted over the expected repayment period. Other trade receivables do not carry any interest and are stated at their nominal value. When the Group establishes a practice of selling portfolios of receivables from time to time these portfolios are recorded at fair value through other comprehensive income; all other trade receivables are recorded at amortised cost.

Working capital

The Group has entered into working capital agreements related to the concession for the private use of radio spectrum granted in the year ended 31 March 2019. Total amount of €130.1m as of 31 March 2026 (FY25: €139.4m) which has been agreed at a fixed rate. The agreement lasts until FY38 and the balances are included in Other Payables (Note 16).

Financial risk management

The Group's activities expose it to various financial risks: market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The Group's Financial risk management policies seek to reduce the Group's exposure to any future disruption to financial markets, including any future impacts from global economic and political uncertainty and other macroeconomic events.

The Group has policies in place to control the exposure to market, credit and liquidity risks.

Exchange rate risk

As at 31 March 2026 the Group holds $810m (FY25: $900m) USD Senior Secured Notes which are fully hedged. The Group has no significant currency exposures other than positions in economic hedging relationships. The Group's credit risk under financing activities is spread across a portfolio of highly rated institutions to reduce counterparty exposures.

Interest rate risk

The Group's interest rate risk arises from the borrowed funds. Borrowings issued at floating rates expose the Group to interest rate risks. Management of cash flow interest rate risk is centralised in the Group and monitored regularly.

As of 31 March 2026, the Group's exposure to cash flow interest rate risk is mainly due to the floating rate element of the term loans (excluding interest hedged amounts) totalling €1,301m (FY25: €1,420m) which accrues a Euribor-indexed floating interest rate plus a margin. As at 31 March 2026, after hedging, the majority of the Group's borrowings are held on a fixed interest basis, mitigating exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/(decrease) in basis points	Impact on results
Term Loan B	50/(50)	€6.5m/(6.5m)

Cash flow risk

As Vodafone Spain is a cash generative business the main cash flow risk is derived from the servicing of the Group's loan facilities. See liquidity risk later in this note.

Price Risk

The Group is exposed to some price risk, primarily related to consumption of energy. Changes in the market prices could impact the Group's financial performance and position. The Group has entered into long term, fixed rate agreement to mitigate this risk.

Credit risk

The Group's main financial assets are balances of cash and cash equivalents, trade and other accounts receivable, which represent the Group's greatest exposure to credit risk in relation to financial assets. Most of its customers are individuals and retail businesses, although it also has corporations and other operators as customers. Credit risk is defined as the risk that a counterparty will not meet its obligations under a financial asset, leading to a financial loss for the Group, as Management believe this is the most relevant definition for this group of customers. Default is defined differently for different groups of customers, with individual accounts being reviewed via by quantitative matrices whereas corporations' tend to be assess using individual qualitative measures.

The credit risk arises because the Group might not recover the carrying amount of the financial assets or recover them on time. Management believes that the carrying amount of the accounts receivable and other receivables is approximately the same as their fair value.

The amounts shown on the balance sheet are net of allowances for uncollectible amounts. It is the Group's policy to regularly and systematically assess the risk of insolvency of its customers' receivables in order to record the appropriate provisions in the statement of comprehensive income and assess the appropriateness of correcting the level of credit allowed to customers (in this regard, the Group has in place restrictive credit scoring procedures prior to the opening of new accounts).

With respect to the credit risk arising from cash and cash equivalents, the Group only engages with reputable financial institutions that have a high credit rating.

Expected credit loss

The Group has financial assets classified and measured at amortised cost and fair value through other comprehensive income that are subject to the expected credit loss model requirements of IFRS 9. Cash and bank deposits and certain other investments are both classified and measured at amortised cost and subject to impairment requirements.

Operating activities credit risk

Customer credit risk is managed by the Group's business units which each have policies, procedures and controls relating to customer credit risk management. Outstanding trade receivables and contract assets are regularly reviewed to monitor any changes in credit risk with concentrations of credit risk considered to be limited given that the Group's customer base is large and unrelated. The Group applies the simplified approach and records lifetime expected credit losses for trade receivables and contract assets. Expected credit losses are measured using historical cash collection data for periods of at least 24 months wherever possible and grouped into various customer segments based on product or customer type. The historical loss rates are adjusted where macroeconomic factors, for example changes in interest rates or unemployment rates, or other commercial factors are expected to have a significant impact when determining future expected credit loss rates. For trade receivables the expected credit loss provision is calculated using a provision matrix, in which the provision increases as balances age, and for receivables paid in instalments and contract assets a weighted loss rate is calculated to reflect the period over which the amounts become due for payment by the customer. Trade receivables and contract assets are written off when each business unit determines there to be no reasonable expectation of recovery and enforcement activity has ceased.

Expected credit losses are presented as net credit losses on financial assets within operating profit and subsequent recoveries of amounts previously written off are credited against the same line item.

The table below presents information on trade receivables and contract assets and their associated expected credit losses:

	Trade receivables held at amortised cost		Trade receivables held at fair value through other comprehensive income		Contract assets	
	As at 31 March 2026 €000	As at 31 March 2025 €000	As at 31 March 2026 €000	As at 31 March 2025 €000	As at 31 March 2026 €000	As at 31 March 2025 €000
Gross carrying amount	504,464	429,775	90,126	179,688	239,574	241,205
Expected credit loss allowance	(117,440)	(191,725)	(2,821)	(4,816)	(7,927)	(9,162)
Net carrying amount	**387,024**	**238,050**	**87,305**	**174,872**	**231,647**	**232,043**

Liquidity risk

Liquidity is reviewed periodically on a 12 month rolling basis and stress tested on the assumption that any secured loan note or Term Loan outstanding matures and is not reissued. The Group maintains substantial cash and cash equivalents which at 31 March 2026 amounted to cash €519m and undrawn committed revolving credit facilities of €500m (FY25: €500m). Given the long timeline on the current borrowings, the Group reviews long-term liquidity risk periodically and Management is already working on plans for this.

The maturity profile of the anticipated future cash flows is as follows:

Maturity profile[34,35,36,37]	Term Loans	Secured Notes	Lease Liabilities	Other	Trade payables	Total
	€000	€000	€000	€000	€000	€000
<1 year	15,307	26,113	359,262	12,397	763,665	1,176,745
1-2 years	—	—	221,639	12,397	—	234,036
2-3 years	—	—	179,019	12,397	—	191,416
3-4 years	1,665,000	2,021,086	97,055	12,397	—	3,795,538
4-5 years	—	—	72,362	12,397	—	84,759
>5 years	—	—	242,374	86,779	—	329,153
31 March 2026	**1,680,307**	**2,047,199**	**1,171,711**	**148,764**	**763,665**	**5,811,647**

Maturity profile[38,39]	Term Loans €000	Secured Notes €000	Lease Liabilities €000	Other €000	Trade payables €000	Total €000
<1 year	—	—	379,091	11,042	878,819	1,268,952
1-2 years	—	—	216,772	9,381	—	226,153
2-3 years	62,500	—	185,122	9,602	—	257,224
3-4 years	125,000	—	134,798	9,827	—	269,625
4-5 years	312,500	2,131,332	55,114	10,058	—	2,509,004
>5 years	3,421,332	—	125,136	89,459	—	3,635,927
31 March 2025	**3,921,332**	**2,131,332**	**1,096,033**	**139,369**	**878,819**	**8,166,885**

The Group entered into hedging arrangements as part of the Refinancing in July 2024.

The maturity profile of the Group's financial derivatives (which include interest rate swaps and cross-currency swaps) using undiscounted cash flows, is as follows:

As at 31 March 2026

	Payable €000	Receivable €000	Total €000
<1 year	(65,412)	69,587	4,175
1-2 years	(65,851)	71,349	5,498
2-3 years	(780,621)	735,926	(44,695)
Total	**(911,884)**	**876,862**	**(35,022)**

As at 31 March 2025

	Payable €000	Receivable €000	Total €000
<1 year	(71,651)	80,964	9,313
1-2 years	(71,547)	79,152	7,605
2-3 years	(72,038)	80,814	8,776
3-4 years	(866,805)	872,050	5,245
Total	**(1,082,041)**	**1,112,980**	**30,939**

Note:

* Payables and receivables are stated separately in the table above where cash settlement is on a gross basis.

Market risk

Interest rate management

Under the Group's interest rate management policy, interest rates on long-term monetary assets and liabilities are principally maintained on a fixed rate basis. As at 31 March 2026, after hedging, the majority of the Group's outstanding liabilities are held on a fixed interest rate basis in accordance with Group policy.

For each one hundred basis point rise in market interest rates for all currencies in which the Group had borrowings at 31 March 2026 there would be an decrease in profit before tax by €13m (FY25: €14m). There would be no impact on equity.

At 31 March 2026, the Group had limited exposure through interest rate derivatives and floating rate bonds referencing Euribor.

[34] Maturities reflect contractual cash flows applicable except in the event of a default, upon which lenders have the right, but not the obligation, to request repayment. This also applies to undrawn committed facilities.
[35] Includes financial liabilities under put option arrangements and non-derivative financial liabilities presented within trade and other payables.
[36] Interest payable on amounts >1 year have not been included due to the fact a significant proportion of these are interest rate plus margin and future interest rates are not reliably quantifiable.
[37] The current year disclosure of Terms Loans and Secured Notes has been revised to reflect enhanced presentation.
[38] In FY25, the undiscounted total of Other liabilities was €161,161k.
[39] In FY25, the interest amount due < 1 year on term loans and secured notes was €12,686k and €33,597k, respectively.

Foreign exchange management

As Zegona Communication plc is listed on the London Stock Exchange its share price is quoted in sterling. Since the sterling share price represents the value of its future Euro cash flows, the Group maintains the currency of debt and interest charges in the same currency. At 31 March 2026 19% (FY25: 21%) of debt was denominated in currencies other than euro (all USD). The principal and interest payments have been fully hedged into Euro to align with the future cash flows.

Risk management strategy of hedge relationships

The risk strategies of the designated cash flow hedges reflect the above market risk strategies. The objective of the cash flow hedges was principally to convert foreign currency denominated floating rate borrowings in US dollar into euro fixed rate borrowings and hedge the foreign exchange spot rate, and hedge against the floating rate Euribor to which the EUR denominated borrowings are linked using interest-rate swaps. Derivative financial instruments designated in cash flow hedges are cross-currency and interest rate swaps. Given all USD denominated borrowings are fully hedged and these hedges are deemed highly effective, movements in foreign exchange rates should not materially impact the Group's results.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. For hedges of foreign currency and floating rate denominated borrowings, the Group uses cross-currency swaps to hedge its exposure to foreign exchange risk and interest rate risk and enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. Therefore, the Group expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in the opposite direction in response to movements in the underlying exchange rates and interest rates. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness may occur due to:

a. The fair value of the hedging instrument on the hedge relationship designation date if the fair value is not nil;

b. Changes in the contractual terms or timing of the payments on the hedged item; and

c. A change in the credit risk of the Group or the counterparty with the hedging instrument.

The hedge ratio for each designation will be established by comparing the quantity of the hedging instrument and the quantity of the hedged item to determine their relative weighting; for all of the Group's existing hedge relationships the hedge ratio has been determined as 1:1.

For the Periods ended 31 March 2026 and 31 March 2025 all hedges were fully effective. As a result movements in the derivative mark to market value were recorded in OCI with minimal ineffectiveness recognised in the Consolidated Statement of Comprehensive Income of €199k (FY25: nil).

					Other comprehensive income			
31 March 2026	**Nominal amounts**	**Carrying value assets[40]**	**Carrying value liabilities[41]**	**Opening balance**	**Gain / (Loss)**	**Closing balance**	**Maturity**	**FX rate**
Cross currency & interest rate swaps	**000**	**€000**	**€000**	**€000**	**Deferred to OCI €000**	**€000**		
USD secured notes	$ 810,000	12,124	(59,229)	(9,477)	14,391	4,914	2029	0.8655
EUR floating rate term loan	€ 364,245	359	(1,352)	1,027	3,051	4,078	2029	n/a
Total		**12,483**	**(60,581)**	**(8,450)**	**17,442**	**8,992**		

					Other comprehensive income			
31 March 2025	**Nominal amounts**	**Carrying value assets**	**Carrying value liabilities**	**Opening balance**	**Gain / (Loss)**	**Closing balance**	**Maturity**	**FX rate**
Cross currency & interest rate swaps	**000**	**€000**	**€000**	**15 July 2024 €000**	**Deferred to OCI €000**	**€000**		
USD secured notes	$ 900,000	28,664	(35,296)	—	(9,477)	(9,477)	2029	0.9244
EUR floating rate term loan	€ 367,940	—	(5,690)	—	1,027	1,027	2029	n/a
Total		**28,664**	**(40,986)**	**—**	**(8,450)**	**(8,450)**		

[40] Included within Trade and Other Receivables. Refer to note 15.
[41] Included within Trade and Other Payables. Refer to note 16.

Fair value and carrying value information

The carrying value and valuation basis of the Group's financial assets are set out in notes 15 'Trade and other receivables' and 23 'Cash and cash equivalents'. For all financial assets held at amortised cost the carrying values approximate fair value.

The carrying value and valuation basis of the Group's financial liabilities are set out in notes 16 'Trade and other payables' and 21 'Borrowings'. The carrying values approximate fair value for the Group's trade payables and other payables categories. For other financial liabilities a comparison of fair value and carrying value is disclosed in note 21 'Borrowings'.

26. Directors' And Key Management Compensation

Directors

The aggregate salaries and fees for the Executive Directors and Non-Executive Directors of the Company were as follows:

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Salaries and fees	2,417	2,698
Incentive schemes	—	231,782
Total	**2,417**	**234,480**

Key Management

The Board considers the Directors and the executives of the Company to be the Key Management of the Group. Aggregate salaries and fees for Key Management, being the Directors and members of the Executive Committee, was as follows:

	12m ended 31 March 2026 €000	15m ended 31 March 2025 €000
Salaries and fees	3,863	3,920
Incentive schemes	—	261,148
Total	**3,863**	**265,068**

27. Employees

This note shows the average number of people employed by the Group under contracts of service during the Financial Year and in which areas of our business our employees work. It also shows total employment costs.

	12m ended 31 March 2026 Employees	15m ended 31 March 2025 Employees
By activity		
Executives	72	66
Middle management	352	369
Other line and departmental support personnel	2,392	2,286
Total	**2,816**	**2,721**
The cost incurred in respect of these employees (including Directors) was:		
	€000	€000
Wages and salaries	146,822	118,480
Social security costs	43,045	36,793
Other pension costs	4,451	4,006
Restructuring costs	(8,841)	123,680
Total	**185,477**	**282,959**

28. Post Employment Benefits

The Group operates defined contribution pension schemes for its UK-based employees and for its Spanish-based employees. Under these plans, the company contributes a fixed percentage of each employee's salary to individual pension accounts or pays cash in lieu of such arrangements. For the Financial Year ended 31 March 2026, the total expense recognised for defined contributions amounted to €4.5m (15m ended 31 March 2025: €4.0m).

These plans are structured as fully funded, and contributions are made directly to the pension funds. There are no obligations for the company to pay beyond the contributions. Contributions are recognized as an expense incurred during the period in which the employee provides services.

29. Long Term Incentive Plans

Zegona Management Incentive Plan

Incentive scheme arrangements were put in place at Zegona's inception in 2015 to create incentives for Zegona's management team who have been issued A ordinary shares in the Company's subsidiary, Zegona Limited ("Management Shares").

The holders of the Management Shares are entitled to 15% of the growth in value of the Company (plus shareholder returns) during a series of separate Calculation Periods (three of which have already taken place), provided that ordinary shareholders achieve a 5% per annum Preferred Return[42] in each Calculation Period.

Holders have the right to end each Calculation Period by exercising their Management Shares at any time between the third and fifth anniversaries of the beginning of the Calculation Period, although a Calculation Period may also end upon certain specified events such as a winding up, a takeover, a Board change of control of Zegona, or if Zegona sells all or substantially all of its assets and distributes the net proceeds to shareholders.

When a Calculation Period ends, a new Calculation Period automatically begins with the remaining shares retaining the entitlement to 15% of the growth in value of the Company (plus shareholder returns) for the next Calculation Period. At 31 March 2026, 5,155 Management Shares in Zegona Limited remain allotted, issued and fully paid as shown in the table below:

	Participation in growth in value	Number of Management shares
Eamonn O'Hare	8.88 %	3,050
Robert Samuelson	4.44 %	1,525
Zegona Senior Mgmt.	1.69 %	580
Total		5,155

There has been no change in the amount of Management Shares in Zegona Limited in the Financial Year.

The Fourth Calculation Period

The fourth Calculation Period automatically began on the date of the redemption notice for the third calculation period; 15 October 2024, with the baseline value per share for the new Calculation Period being £3.57 per share, which was equal to the volume weighted average mid-market price of Zegona shares for the previous 30 trading days. During the fourth Calculation Period, the Management Shares are permitted to be redeemed between 15 October 2027 and 15 October 2029. The renewal of the scheme was approved by a vote by Zegona's shareholders at the AGM held on 24 September 2025.

As an equity settled scheme, the assessed value of the award at grant date is recognised over the period from the start of each calculation period to the earliest redemption point. A preliminary valuation was performed as at the start of the fourth Calculation Period. Following the approval of the scheme rights at the AGM, this valuation was updated as at 24 September 2025. As required under IFRS 2, the valuation was prepared reflecting the operation of the scheme, including assumptions around volatility, dividend yield, vesting restrictions, risk free rate of returns and the expected share capital at the date of scheme redemption, in accordance with Monte Carlo methodology[43].

The cumulative charge in the fourth Calculation Period has been adjusted in the current Financial Year, resulting in a cumulative charge to 31 March 2026 of €104.7m (cumulative charge to 31 March 2025: €62.8m) .

[42] The Preferred Return is a 5% per annum return on a compounded basis on the higher of the Market Capitalisation of Zegona, defined as 30-day volume weighted average mid-market price multiplied by the issued share capital, at the start of the Calculation Period and shareholders' net investment.

[43] Volatility has been derived from consideration of the volatility of comparable listed entities operating in the European telecoms sector, adjusted for gearing. As the overall target is measured on creation of shareholder value, dividends do not impact the calculation so are ignored.

The key assumptions are listed below:

Assumption	31 March 2026	31 March 2025
Volatility	22.0 %	22.0 %
Dividend yield	— %	— %
Post vesting restriction	7.5 %	10.0 %
Lack of liquidity & Bid/Offer spread	— %	5.0 %
Risk free rate	4.0 %	4.1 %

Zegona Employee Incentive Plan

This plan aligns the incentive payable to the share price growth of the Company in order to ensure that key employees have been incentivised appropriately. These incentives can be redeemed by the employees between 3 to 5 years after the award is made. As these will be cash settled, a cost of €2.8m (FY25: €1.4m) was incurred in the Financial Year (see Note 4) and a total carrying liability of €4.2m was recorded across the employing entities' balance sheets, as at the end of the Financial Year, included within non-current other payables. A Monte Carlo model has been prepared as at 31 March 2026 to value the expected liability and the key assumptions (which differ slightly for different awards) are listed below:

Assumptions:	31 March 2026	31 March 2025
Term	4 years	4 years
Volatility	30.0 %	22 %
Risk free rate	4.31% - 4.38%	4.05% - 4.09%

Vodafone Incentive Plan

In order to retain and motivate the senior executive team and key employees of Vodafone Spain, an incentive plan was provided shortly after the acquisition date, that aligned with the key performance indicators of the Group over a 4 year period. This plan was approved by the Zegona Board.

As at 31 March 2026 the Management team undertook a weighted probability analysis of the likelihood of payment of these incentives and recorded a liability for the expected future payments.

30. Related Party Transactions

In the opinion of the Directors, there was no one single controlling party for the period ended 31 March 2025 nor for the Financial Year to 31 March 2026. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

As noted in the FY25 Annual Report, at the 31 March 2025 Balance Sheet date EJLSHM Funding Limited owned 523,240,603 ordinary shares in the company Zegona, arising from the subscription for ordinary shares by EJLSHM Funding Limited via a €900m promissory note. This note was repaid in full during the Financial Year as (see notes 18 and 20) and EJLSHM Funding Limited is no longer a shareholder.

Transactions with key management personnel

The Board considers the Executive Directors and Non-Executive Directors of the Company to be the key management personnel. Details of the amounts paid to key management personnel are detailed in the Directors' Remuneration Report starting on page 62.

31. Commitments

A commitment is a contractual obligation to make a payment in the future, mainly in relation to agreements to buy assets such as mobile devices, network infrastructure and IT systems and leases that have not commenced. These amounts are not recorded in the consolidated statement of financial position since we have not yet received the goods or services from the supplier. The amounts below are the minimum amounts that we are committed to pay.

Capital commitments

	31 March 2026 €000	31 March 2025 €000
Contracts placed for future capital expenditure	**113,712**	138,781

Guarantees in the ordinary course of business

In the normal course of business, the Group provides guarantees to counterparties in connection with operational arrangement that they enter into with Public Bodies and other entities. As at the Financial Year end such guarantees amounted to €252m (FY25: €50m).

32. Investment In Subsidiaries

The financial statements include the results of all subsidiaries wholly owned by the Company as listed below:

Subsidiary	Nature of business	Country of incorporation	Shares held directly by the Company	Shares held indirectly by Company	Address
Zegona Limited	Incentive company	Jersey	100%	–	1
Zegona Spanish Holdco Limited	Dormant	England and Wales	-	100%	2
Zegona Borrower Limited	Dormant	England and Wales	–	100%	2
Zegona Holdco Limited	Financing company	England and Wales	–	100%	2
Zegona Topco Limited	Financing company	England and Wales	–	100%	2
Zegona Midco Limited	Financing company	England and Wales	–	100%	2
Zegona Hedge Co Limited	Financing company	England and Wales	100%	–	2
Zegona Hedge Co II Limited	Financing company	England and Wales	–	100%	2
Zegona Finance plc	Financing company	England and Wales	–	100%	2
Zegona Finance LLC.	Financing company	United States of America	–	100%	3
Vodafone Holdings Europe, S.L.U.	Holding company	Spain	–	100%	4
Vodafone España, S.A.U.	Trading company	Spain	–	100%	4
Vodafone Ono, S.A.U.	Trading company	Spain	–	100%	4
Vodafone Servicios, S.L.U.	Trading company	Spain	–	100%	4
VTOR America, S.A.	Financing company	Spain	–	100%	4
VPlat España S.L.U.	Trading company	Spain	–	100%	4
VSales España S.L.U.	Trading company	Spain	–	100%	4
Sercom Recargas, S.L.U.	Trading company	Spain	–	100%	4
Sercom Soluciones, S.L.U.	Trading company	Spain	–	100%	4

The registered office addresses of the subsidiaries are: 1) 47 Esplanade, St Helier, Jersey, JE1 0BD, United Kingdom, 2) 8 Sackville St, Mayfair, London, W1S 3DG, United Kingdom, 3) 251 Little Falls Drive, Wilmington, 19808, United States 4) Avenida de América, 115, 28042 Madrid, Spain.

The following UK subsidiaries will take advantage of the audit exemption for dormant companies set out within section 480 of the Companies Act 2006 for the period ended 31 March 2025: Zegona Spanish Holdco Limited and Zegona Borrower Limited.

The following UK subsidiaries will take advantage of the statutory guarantee exemption set out within section 479A of the Companies Act 2006 for subsidiaries, in the period ended 31 March 2025: Zegona Holdco Limited; Zegona Topco Limited; Zegona Midco Limited; Zegona Hedge Co Limited; Zegona Hedge Co II Limited; Zegona Finance plc.

33. Post Balance Sheet Events

Share Buy Back

As at the date of this report, the Company continues to undertake the share buy back (as per note 18).

FiNetwork

On 27 April 2026, the Provincial Court of Alicante issued a ruling reversing the restructuring agreement presented by Vodafone Spain and Vodafone ONO, which was previously approved by the Commercial Court No. 1 of Alicante and which had also received regulatory approval from both the Foreign Direct Investment (FDI) authority and the Comisión Nacional de los Mercados y la Competencia (CNMC). The Directors, based on discussions with their legal advisors, are contesting this ruling. In accordance with relevant accounting guidance and the Company's accounting policies, the entity has not been consolidated.

Parent Company Financial Statements and Notes

Statement of Financial Position

	Notes	31 March 2026 €000	31 March 2025 €000
Assets			
Non-current assets			
Property, plant and equipment		—	10
Investments in subsidiaries	3	2,329,283	2,337,230
		2,329,283	**2,337,240**
Current assets			
Trade and other receivables	4	10,366	1,185
Cash and cash equivalents		226	1,060
		10,592	**2,245**
Total assets		**2,339,875**	**2,339,485**
Equity and Liabilities			
Equity			
Share capital	6	2,877	8,971
Share premium	7	—	1,229,327
Capital reduction reserve	7	190,424	190,424
Capital redemption reserve	7	6,138	—
Retained earnings	7	926,244	(101,916)
Foreign currency translation reserve	7	25,459	25,459
		1,151,142	**1,352,265**
Current liabilities			
Trade and other payables	5	1,188,733	987,220
		1,188,733	**987,220**
Total liabilities		**1,188,733**	**987,220**
Total equity and liabilities		**2,339,875**	**2,339,485**

The accompanying notes are an integral part of the financial statements.

As permitted by Section s408 of the Companies Act 2006, no profit and loss account for the company is presented. The company's profit for the financial Financial Year was €1,352,612k (15m ended 31 March 2025: loss of €84,978k).

The Financial Statements of Zegona Communications plc (registered number 09395163) were approved by the Board of Directors on 16 June 2026 and were signed on its behalf by:

Eamonn O'Hare

Director

Robert Samuelson

Director

Statement of Changes in Equity

	Note	Share capital	Share premium	Capital reduction reserve	Capital redemption reserve	Retained earnings	Foreign currency translation reserve	Total equity
		€000	€000	€000	€000	€000	€000	€000
Balance at 1 April 2025		8,971	1,229,327	190,424	—	(101,916)	25,459	1,352,265
Profit for the period		—	—	—	—	1,352,612	—	1,352,612
Share premium cancellation	7	—	(1,229,327)	—	—	1,229,327	—	—
Cancellation and deferral of shares	6	(6,000)	—	—	6,044	(44)	—	—
Dividend paid to equity holders	8	—	—	—	—	(1,413,522)	—	(1,413,522)
Share buybacks	6	(94)	—	—	94	(140,213)	—	(140,213)
Balance at 31 March 2026		**2,877**	**—**	**190,424**	**6,138**	**926,244**	**25,459**	**1,151,142**

	Note	Share capital	Share premium	Capital reduction reserve	Share-based payment reserve	Other reserves – promissory note	Retained earnings	Foreign currency translation reserve	Total equity
		€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 January 2024		8,312	1,182,375	2,565	156	(3,722)	(13,216)	9,941	1,186,411
Loss for the period		—	—	—	—	—	(84,978)	—	(84,978)
Other comprehensive income		—	—	—	—	—	—	15,518	15,518
Issuance of shares		659	234,857	—	—	—	—	—	235,516
Share premium reduction	7	—	(187,859)	187,859	—	—	—	—	—
Transactions costs arising on share issue		—	(46)	—	—	—	—	—	(46)
Reclassification of interest income related to promissory note		—	—	—	—	3,722	(3,722)	—	—
Share-based payment charge		—	—	—	(156)	—	—	—	(156)
Balance at 31 March 2025		**8,971**	**1,229,327**	**190,424**	**—**	**—**	**(101,916)**	**25,459**	**1,352,265**

The accompanying notes are an integral part of the financial statements.

Notes to the Company Financial Statements

1. Material Accounting Policies

The separate financial statements of the Company are drawn up in accordance with the Companies Act 2006 and Financial Reporting Standard 101'Reduced disclosure framework' ('FRS 101').

The Company financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities and in accordance with the UK Companies Act 2006. The financial statements have been prepared on a going concern basis and are presented in Euros.

The following exemptions available under FRS 101 have been applied:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Shared-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 'Financial Instruments: Disclosures';
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1 'Presentation of financial statements':
- 10(d) (statement of cash flows);
- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 38B-D (additional comparative information);
- 40A-D (requirements for a third statement of financial position);
- 111 (cash flow statement information); and
- 134-136 (capital management disclosures).
- IAS 7 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- The requirements in IAS 36 'Impairment of asset' to disclose valuation technique and assumptions used in determining recoverable amount.

As permitted by section 408(3) of the Companies Act 2006, the income statement of the Company is not presented in this Annual Report. The Company has not published its individual cash flow statement as its liquidity, solvency and financial adaptability are dependent on the Group rather than its own cash flows.

The accounting policies adopted for the Parent Company, Zegona Communications plc, are consistent with those used for the Group which are set out on pages 91 to 103, apart from where explained in the individual notes below.

Key management personnel are not employed directly by the Company; refer to note 26 of the Consolidated Financial Statements for further detail and note 29 for further detail on long term incentive schemes.

2. Taxes

No current corporation tax expense has been incurred in the Financial Year ended 31 March 2026 (FY25: nil).

The Company has tax losses of €44m (FY25:€41m) which are available to offset against the future profits of the Company. No deferred tax asset is recognised for these losses due to insufficient taxable UK profits.

3. Investments In Subsidiaries

Accounting policy

Investments in subsidiaries are stated at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount is less than the carrying value, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where there has been a change in the estimates used to determine recoverable amount and an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years and an impairment loss reversal is recognised immediately in the income statement.

	31 March 2026	31 March 2025
	€000	€000
Cost		
At the beginning of the period	2,337,230	1,201,714
Additions	—	900,000
Disposals	—	—
Capital contributions arising from share-based payments	—	235,516
At the end of the period	**2,337,230**	**2,337,230**
Accumulated impairment losses		
At the beginning of the period	—	—
Impairment charge	7,947	—
At the end of the period	**7,947**	**—**
Net book value		
At the end of the period	**2,329,283**	**2,337,230**

A full list of the Company's subsidiaries can be found in note 32 to the Consolidated Financial Statements.

An impairment loss of €7,947k was recognised during the year in respect of the investment in Zegona Hedge Co.

In FY25 the €236m capital contribution arising from share-based payments related to an exchange of shares with Zegona Limited. Please refer to note 29 to the Consolidated Financial Statements for further detail.

The €900m addition was part of the acquisition process of Vodafone Spain, through which the promissory note was utilised as part of the consideration. The initial step for this was a share subscription, increasing the investment in Zegona Limited.

4. Trade And Other Receivables

	31 March 2026 €000	31 March 2025 €000
Included within current assets		
Amounts due from subsidiary undertakings	9,068	441
Other receivables	566	120
Prepayments	732	624
	10,366	**1,185**

5. Trade And Other Payables

	31 March 2026 €000	31 March 2025 €000
Included within current liabilities		
Amounts due to subsidiary undertakings	1,181,082	985,366
Trade and other payables	7,651	1,854
	1,188,733	**987,220**

6. Share Capital

Allotted, called up and fully paid

	2026 Number	31 March 2026 €000	2025 Number	31 March 2025 €000
At beginning of period	759,209,905	8,971	704,149,410	8,312
Shares issued	—	—	55,060,495	659
Share purchases and cancelled under the buyback programme	(7,335,500)	(94)	—	—
Redesignation of EJL Shares into Deferred Shares prior to cancellation	(523,240,603)	(6,000)	—	—
At period end	**228,633,802**	**2,877**	**759,209,905**	**8,971**

The nominal value of the total ordinary shares is £0.01 and the total allotted, called up and fully paid equates to £2,286,338 (FY25: £7,592,010).

All ordinary shares confer identical rights including in respect of capital, dividends and voting. Save for those required by applicable law, there are no restrictions on the distribution of dividends or the repayment of capital by Zegona. For further details see note 18 in the notes to the Group Accounts.

Return of value to shareholders and share capital reorganisation

During the year, the Company undertook a return of value to shareholders and share capital reorganisation comprising: (i) commencement of an on-market share buyback programme; (ii) a special dividend; (iii) a redesignation of certain Ordinary Shares into Deferred Shares with negligible economic rights; and (iv) an off-market buyback and cancellation of those deferred shares.

On-market share buyback programme

On 12 December 2025, Zegona commenced a share buyback programme, providing for on-market purchases, up to a total aggregate consideration of €200m with Canaccord Genuity Limited ("the Buyback Programme"). During the year, the Company purchased 7,335,500 of Ordinary Shares for an aggregate consideration of €139m. The Ordinary Shares purchased under the Buyback Programme were cancelled and a capital redemption reserve created equal to the higher of (i) the share capital repurchased translated at the spot rate at the date of cancellation; and (ii) the share capital repurchased translated at the average historical rate previously used to record the company's share capital. The programme will continue to be in place until the €200m cap is reached or otherwise announced by the Company.

Redesignation into deferred shares and off-market buyback

On 8 January 2026, 523,240,603 ordinary shares, representing 69% of the issued share capital, held by EJLSHM Funding Limited ("EJL Shares") were redesignated, on a one for one basis, into deferred shares of £0.01 each ("the Deferred Shares"). The Company subsequently purchased and cancelled all 523,240,603 Deferred Shares from EJLSHM Funding Limited for aggregate consideration of £1.00. A capital redemption reserve was recorded of €6,044k being equal to the share capital translated at the spot rate at the date of the cancellation.

The difference between the nominal value of shares cancelled translated at the historical rate previously used to record this share capital and the capital redemption reserve has been recorded in retained earnings as share capital repurchase difference.

7. Reserves

Cancellation of Share premium account

Following the approval at the Company's AGM on 24 September 2025, the Company made an application to the High Court, together with a lodgement of the Company's statement of capital with the Registrar of Companies, and the Company was permitted to cancel its share premium account in full, an amount of €1,229m. This was effected on 30 October 2025 by a transfer of that amount from the share premium account to retained earnings, which forms part of the distributable reserves of the Company.

In FY25, following the approval at the Company's AGM on 28 June 2024, the Company made an application to the High Court, together with a lodgement of the Company's statement of capital with the Registrar of Companies, and the Company was permitted to reduce the capital of the Company by an amount of £160m. This was affected on 1 August 2024 by a transfer of that amount from the share premium account to the Capital Reduction Reserve, which forms part of the distributable reserves of the Company.

Capital Redemption Reserve

The capital redemption reserve is a requirement under the Companies Act 2006 and is a non-distributable reserve. When the Company buys back shares out of profits and the shares are immediately cancelled, the amount by which the Company's issued share capital is reduced must be transferred to the capital redemption reserve.

During the year, the capital redemption reserve increased by €6,138k. This reserve was increased to maintain the Company's capital and this increase reflects (i) the nominal value of the GBP denominated Ordinary Shares that were purchased and cancelled under the Buyback Programme, translated at the average historical exchange rate applied when the share capital was originally recognised; and (ii) the EUR equivalent of the nominal value of the GBP denominated Deferred Shares that were repurchased and cancelled pursuant to the Deferred Share Buyback Contract, translated at the spot exchange rates prevailing on the respective cancellation dates.

8. Dividends

On 11 December 2025, the Board of Directors declared a single special dividend amounting to €1.4b (€1.8632 per share) which was conditional upon a resolution to affect the repayment of the EJLSHM Funding being passed at the General Meeting. This resolution was subsequently approved by shareholders in a General Meeting on 22 December 2025 and the dividend was paid on 7 January 2026.

The special dividend payable in respect of the shares held by EJLSHM Funding, an amount of €974m, was paid directly to Vodafone Consolidated Holdings Limited in order to facilitate the redemption of the special shares issued by EJLSHM Funding and payment of the contractual coupon rate.

No dividends were paid in the comparative period.

9. Post Balance Sheet Events

Share Buy Back

As at the date of this report, the Company continues to undertake the share buy back (as per note 6).

Other Information

Non-GAAP measures

Metric	Definition	Rationale
FBB lines	This is the total number of customers subscribed to a broadband internet service offered by a telecommunications provider. This metric includes all users who have an active broadband connection, which can include different types of broadband technologies.	Total broadband customer numbers drive present and future revenue
Mobile Lines	A mobile line is defined as a Subscriber Identity Module ("SIM"), or in territories where SIMs do not exist, a unique mobile telephone number, which has access to the network for any purpose (including data only usage) except telemetric applications and SIMs used in wearables. Telemetric applications include, but are not limited to, asset and equipment tracking, mobile payment and billing functionality (for example, vending machines and meter readings) and include voice enabled customers whose usage is limited to a central service operation (for example, emergency response applications in vehicles). Non-revenue generating SIMs that are used for network testing or demonstration purposes are excluded from the reported customer base. In situations where two or more SIM cards are linked to one telephone number only one customer is reported. If SIMs associated with different telephone numbers use the same linked voice, messaging or data entitlements, this is recorded as one customer unless: • all SIMs associated to the bundle can be used for different communication events simultaneously; and • the customer pays substantive additional fees for the additional SIMs or, where additional SIMs are integral to a bundle, the customer is demonstrably paying a substantively higher tariff rate in order to receive additional SIMs. For bundles meeting the above criteria that include more than one additional SIM, there must be a reasonable expectation of that the customer will use the additional SIMs in order for the SIMs to be recorded as additional customers. If two telephone numbers are linked to one SIM this is also recorded as a single customer. Prepaid lines are included for up to six months after last use, as per the Vodafone Spain legal terms.	Total mobile customer numbers drive present and future revenue
Total Revenues	This means the total revenues, encompassing all types of services and products sales made by the entities within the Zegona Holdco Limited consolidation group but excluding any intercompany revenue amounts.	Total revenues for each period drive overall performance.
EBITDAaL	EBITDAaL is defined as earnings attributable to the group of companies up to, and including Zegona Holdco Limited, before income tax credit, net financing costs, amortization of customer-related intangible assets, amortization of owned assets and depreciation of owned assets, excluding gains/losses on disposal of owned and leased assets, restructuring costs, other income and expense and significant items that are not considered by management to be reflective of the underlying performance, including the impacts of depreciation and gain on disposal of leased assets and interest on lease liabilities, and adjusted in line with the parent's accounting policy relating to subscriber acquisition costs. This definition is aligned with the definition included in the contractual requirements stipulated in the Zegona Holdco Limited loan documents. (For the avoidance of doubt, in line with the definition in the loan documents, EBITDAaL specifically excludes Management Incentive Plans, both pre-existing and implemented post-acquisition. EBITDAaL Margin is EBITDAaL divided by Total Revenues	While EBITDAaL is not an IFRS-defined metric; it is however a common metric used in the telecommunications industry and the basis of the Group's debt covenants.
EBITDAaL less Capex / Operating cash flow	This is defined using the definition of EBITDAaL (above) less CAPEX, where Capex relates to net capital proceeds. This includes Capital Expenditure relating to acquisition of property, plant and equipment, intangible assets and costs relating to customer commercial activity, as well as payments made for dismantling assets and excluding telecommunication licences and financed assets, minus the selling price upon disposal of any assets and changes in asset retirement obligation provisions. EBITDAaL less Capex Margin is EBITDAaL less Capex divided by Total Revenues	EBITDAaL less Capex reflects the operational cash-flow generation of the Group.
Net Debt	This includes all borrowings or credit facilities that are owned to external parties as at the reference date, net of the cash and cash equivalent held at that date. This definition is aligned with the definition of Consolidated Total Net Debt included in the contractual requirements stipulated in the Zegona Holdco Limited loan documents	This is the debt level monitored as a ratio of EBITDAaL for covenant compliance

Other KPI measures

Financial KPIs €m		
Zegona Holdco Ltd Consolidated	**FY26**	**FY25[44]**
Total Revenues	3,628	3,015
EBITDAaL	1,338	1,045
Costs included in EBITDAaL for other Zegona entities	(13)	(12)
Zegona Communications plc Consolidated EBITDAaL	1,325	1,033

[44] Zegona Communications plc's consolidated results for the 15 months ended 31 March 2025. These 15 months included 10 months of the post acquisition operations of Vodafone Spain. Vodafone Spain's revenue for the 10 months post acquisition was €3,015m, EBITDAaL for the 10 months post acquisition was €1,045m and EBITDAaL less capex for the 10 months post acquisition was €541m.

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