

Registration number: 07476767

Anglian Water (Osprey) Financing Plc
Annual Report and Financial Statements
for the Year Ended 31 March 2026

Anglian Water (Osprey) Financing Plc

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 6
Independent Auditor's Report	7 to 15
Profit and Loss Account	16
Balance Sheet	17
Statement of Changes in Equity	18
Notes to the Financial Statements	19 to 28

Anglian Water (Osprey) Financing Plc

Company Information

Directors

Mr M P Bradley
Mr M J Thurston
Mr P F G Whittaker
Dr R C Rivaz

Company Secretary

Ms C R Gough

Registered office

Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

Independent Auditor

Deloitte LLP
Statutory Auditor
4 Brindley Place
Birmingham
B1 2HZ

Anglian Water (Osprey) Financing Plc

Strategic Report for the Year Ended 31 March 2026

The directors present their report for the year ended 31 March 2026.

Review of the business

The Company's primary purpose is to issue and hold debt listed on the London Stock Exchange and other borrowings used to fund the Osprey Acquisitions Limited (OAL) Group headed by OAL ("Group"), and the wider Anglian Water Group.

This year the company raised £900.0 million (2025: £60.0 million) of new debt and made £302.0 million (2025: £44 million) of debt repayments, resulting in £598.0 million (2025: £16.0 million) gross debt additional in the year.

As at 31 March 2026, the Company had £1,635.0 million (2025: £1,037.0 million) of debt, passed through with its "back-to-back" arrangement to Osprey Acquisitions Limited. The Company made a profit of £1.8 million (2025: loss of £3.8 million) for the financial year.

The Company's net liabilities at 31 March 2026 were £0.9 million (2025 liabilities: £2.7 million).

The Directors expect that the present level of activity will be sustained for the foreseeable future.

Section 172 Statement

Section 172 of the Companies Act 2006 requires the Directors to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. Companies are required to report explicitly how the Board has had regard to the matters set out in section 172.

Being the Group's financing company, the stakeholders are limited to investors, banks and ratings agencies. The Company has no employees, customers or suppliers; however, there are other companies within the group with whom there are intercompany relationships.

As the Company does not operate separately to the OAL Group, the Company's values and reputation are highly integrated with that of AWSL and therefore interested parties are referred to relevant disclosures within AWSL's consolidated group annual report and financial statements.

Investors, banks and ratings agencies

The funding advanced by investors and banks is crucial to the delivery of the OAL Group's investment programme, which directly benefits our communities and our environment. Engagement is vital to understand their requirements, demonstrate our long-term sustainable vision and help them understand what makes Anglian Water a sound investment.

How we engage

We hold investor events at least twice a year to coincide with preliminary and interim company results, and periodically hold additional events and site visits for investors. In addition, Mark Thurston, Michael Bradley and the Company's Treasurer hold regular face-to-face meetings and telephone conferences with banks and investors. We also engage with banks and investors through written reports, including the Anglian Water Services Annual Integrated Report, the annual Green Bond Report and the semi-annual investor report, and by publishing interim and preliminary company results at half year and year end.

Anglian Water (Osprey) Financing Plc

Strategic Report for the Year Ended 31 March 2026

Key areas of engagement in 2025/26

Board members discuss key areas of Group risk with investors and banks to facilitate the continued funding of the business. Engagement with banks and investors also informs our approach to sustainable financing. Anglian Water is committed to financing capital investment sustainably while, for their part, banks and investors have a clear appetite to invest in purpose-led, sustainable businesses such as ours.

Principal decisions made by the Board

Bi-annually the Board approves the annual or interim financial statements. The Board is engaged on any key issues impacting the Company throughout the year and gives them appropriate time and consideration.

To give support to the Directors and enable them to discharge their duties, all new Directors receive a thorough induction programme on appointment which includes receiving a full background information pack and briefings from Executive Directors and senior managers. The Company offers the Directors in-house training as necessary to aid their professional development and awareness of business and sector-specific issues. In addition, the Company offers to fund participation on externally provided training courses. All Directors are entitled to receive, at the Company's expense, independent professional advice on any matters relating to their responsibilities as a Director.

Principal risks and uncertainties

The Company's risks are managed as part of the Group risk management and internal control framework, the Board is responsible for the Company's systems of internal control and risk management and considers this to be fundamental to the achievement of the Company's strategic objectives. The Board's policy is to have systems in place that optimise the Company's ability to manage risk in an effective and appropriate manner. Any areas of concern are reported to the next Board meeting and/or the Group's Audit Committee meeting as appropriate.

The management of the business and execution of the Company's strategy are subject to a number of risks, the principal risks being management of liquidity and interest rate exposure.

Liquidity

The Company's objective is to maintain flexibility, diversification and continuity of funding through access to different markets and debt instruments. At the year end the Company held cash at bank and in hand of £31.7 million (2025: £24.6 million). Cash of £40.2 million (2025: £5.1 million) was also held on deposit by the Company to the extent required to meet near term debt repayments. These resources are maintained to ensure liquidity and the continuation of the OAL investment programme. Other funding requirements are sourced either from debt markets or loans from its parent company Osprey Acquisitions Limited, which itself is funded by dividends originating from Anglian Water Services Limited, Anglian Water's operating entity.

Osprey Acquisitions Limited Group's borrowing facilities consists of £340.0 million undrawn revolving loan facilities for general corporate requirements.

Interest rates

The Company has a "back-to-back" arrangement with OAL whereby all borrowings are replicated on identical terms. Any exposure to interest rate risk is passed onto OAL, hence, this arrangement eliminates interest rate risk and results in a net neutral impact on the profit and loss account.

Anglian Water (Osprey) Financing Plc

Strategic Report for the Year Ended 31 March 2026

Key performance indicators

The Anglian Water Group, whose ultimate parent company is Anglian Water Group Limited, operates a three-tier debt structure, referred to as OpCo, MidCo and HoldCo. Anglian Water (Osprey) Financing Plc (AWOF) forms part of the Osprey Acquisitions Limited (OAL) Group (Group headed up by OAL). The aim of this company is to raise debt and lend it to its parent company in the HoldCo part of the structure in order to maintain a certain net debt to capital ratio (net debt expressed as a percentage of Anglian Water's regulated capital value (RCV)). RCV has been developed, by Ofwat, for regulatory purposes and is primarily used in setting price limits. As such the KPI for AWOF is the related net debt to capital ratio.

An intercompany facility is in place between AWOF and OAL under which external funds are provided to OAL. The intention is that the intercompany debt is on the same terms and conditions as the external debt. A management fee will be paid by OAL to AWOF and included in both companies' P&Ls and taxable profits. The company has performed in-line with expectations with interest being incurred on its long-term borrowings and earned on the intercompany loan.

At 31 March 2026 OAL's net debt to capital value was 77 per cent (2025: 80 per cent)

Approved by the Board on 24 June 2026 and signed on its behalf by:

Mr M P Bradley
Director

Anglian Water (Osprey) Financing Plc

Directors' Report for the Year Ended 31 March 2026

The Directors present their report and the audited financial statements for the year ended 31 March 2026.

Directors of the company

The Directors who held office during the year were, and up to the date of signing the financial statements unless otherwise stated, as follows:

Mr M P Bradley

Mr M J Thurston

Mr P F G Whittaker

Dr R C Rivaz

Dividends

No dividend was paid during the year (2025: £nil). The Directors are not recommending the payment of a final dividend.

Future developments

The Directors expect the activities as detailed in the Strategic Report to continue in the foreseeable future without material change.

Governance code

The company does not operate separately to the OAL Group, details of the Group's compliance with governance requirements are discussed with the Osprey Acquisitions Limited consolidated group financial statements. Details of the Group's Corporate Governance code compliance can be found at anglianwater.co.uk/governance.

Financial risk management

Objectives and policies

The Company does not operate separately to the OAL Group and therefore its financial risks are governed by the OAL Group's policies and procedures. These policies and procedures are discussed within the Osprey Acquisitions Limited consolidated group financial statements.

Liquidity risk and cash flow risk

Liquidity and interest rate risk are detailed within the Strategic Report.

Going concern

The Directors believe, after due and careful enquiry, that the Company has sufficient resources to continue in operational existence for at least one year after the financial statements were authorised for issue and, therefore, consider it appropriate to adopt the going concern basis in preparing the 2026 financial statements.

As the Company does not operate separately to the OAL Group, the Directors have undertaken a detailed review of the ability of the Group to meet its liabilities as they fall due for a period of at least 12 months from the date these financial statements are approved. This review assessed the liquidity requirements of the Group compared against the cash and facilities available to the Group as detailed below.

Given the relative size and importance of AWSL to the Group, the assessment initially focused on the going concern of AWSL and is then updated to include wider Group considerations.

In assessing the appropriateness of the going concern basis of accounting, the Directors have reviewed the resources available to the Group in the form of cash and committed bank facilities headroom, which stands at £3bn as at 31 March 2026. As a result, the Group has sufficient liquidity to meet its operational needs in the 12 months post signing.

Anglian Water (Osprey) Financing Plc

Directors' Report for the Year Ended 31 March 2026

Going concern (continued)

Whilst management note an on-going requirement to raise debt given the business model, management believe the business has sufficient access to capital markets and therefore they do not believe there to be a need to extend the period any further than 12 months.

The base forecast, which has been updated for the latest internal and external information has been subjected to a range of severe but plausible downside scenarios aligned to the risks facing the business.

In assessing going concern the Directors have considered a number of perspectives, including liquidity and debt covenants, and tested these against both the base scenario and the downside scenarios.

The Directors are satisfied that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, even under the severe but plausible downside scenarios considered.

For these reasons, the Directors believe it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Adjusting events after the financial period

Refer to note 16 for details of post balance sheet events.

Directors' liabilities

The Company maintains Directors' and Officers' liability insurance which gives appropriate cover for legal action brought against its directors. The Company has also provided an indemnity for its Directors, which is a qualifying third party indemnity provision for the purpose of section 234 (2) - (6) of the Companies Act 2006. Both of these were in place throughout the financial year and up to the date of signing the financial statements.

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 Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

Deloitte LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed to the board.

Approved by the Board on 24 June 2026 and signed on its behalf by:

Mr M P Bradley
Director

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Anglian Water (Osprey) Financing Plc, (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matter that we identified in the current year is:

- Accounting for borrowings.

Within this report, the key audit matter is identified as follows:

 Newly identified

Materiality	The materiality that we used in the current year was £21.2m (2025: £31.1m) which was determined on the basis of 1.3% of total borrowings (2025: 3% of total borrowings).
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	<p>Going concern was previously identified as a Key Audit Matter. However, the commitment of additional shareholder investment at the Anglian Water Group level, and resultant equity injection of £170 million in Anglian Water Services Limited, as well as the renewal of undrawn revolving credit facilities amount to £1.8 billion has resulted in sufficient liquidity throughout the going concern period. This has reduced the associated underlying risk and, consequently, the audit effort required. Further, the positive CMA outcome concluded in the year and continued investments within the water industry has partly improved the overall market position of the sector contributing to a lower risk. Accordingly, we have concluded that going concern is no longer a Key Audit Matter for the current year's audit.</p> <p>We have identified accounting for borrowings as a Key Audit Matter as this is the area of the audit which required a significant level of audit effort and judgement.</p> <p>Furthermore, in the current year we have reduced the percentage applied to the total borrowings benchmark for determining materiality from 3% to 1.3% to bring it more closely in line with the listed peer companies.</p>

4. 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 company's ability to continue to adopt the going concern basis of accounting included:

- understanding the Company's position in the Osprey Acquisitions "OAL" Group structure including the ability of the Directors to assess the going concern position of OAL Group;
- obtained an understanding of the relevant controls over the cashflow forecasting and going concern assessment;
- understood the OAL Group's process to model the impact of going concern and agreed relevant data points in the model to supporting documentation;
- understood and challenged the sufficiency of the period the Directors' have assessed for the purposes of going concern and whether that was appropriate;
- assessed the sophistication of the model used to prepare the forecasts, by testing the clerical accuracy of those forecasts and assessing the historical accuracy of forecasts prepared by OAL Group;
- evaluated underlying agreements for new debts and revolving credit facilities raised during the year to verify terms are consistent with managements forecasts;
- evaluated liquidity, including the ability of OAL Group to raise future financing;
- recalculated and assessed the amount of headroom in the forecasts (liquidity and covenants) and recalculated compliance with covenants during the year ended 31 March 2026 and throughout the going concern assessment period;

- challenged the sensitivity analysis including downside risks prepared by OAL Group in the context of operational performance challenges, increased spend on capital projects, cyber risk and the broader socio-economic conditions; and
- assessed the appropriateness of the disclosures in the financial statements.

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 OAL Group and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

5. 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Accounting for borrowings

Key audit matter description

The company issues external borrowings on behalf of the Osprey Acquisitions group companies. This has resulted in the recognition of material borrowings of £1,635m (2025: £1,037m) as disclosed in note 13 to the financial statements.

IFRS 9 'Financial Instruments' requires external borrowings to be recognised as financial liabilities initially measured at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Due to the magnitude and complexity of the external borrowings held by the company, and the significant judgement required in applying IFRS 9 in determining the effective interest rate, assessing transaction costs and considering covenant compliance, we have identified a key audit matter with respect to the carrying value of the borrowings.

How the scope of our audit responded to the key audit matter

In response to this matter, we have performed the following procedures:

- obtained an understanding of relevant controls around the recognition and measurement of external borrowings;
- agreed new borrowing proceeds, borrowing costs and interest terms where applicable to the underlying agreements; and
- assessed the appropriateness of the accounting treatment applied for borrowings including the recognition at amortised cost.

Additionally, we have reviewed the disclosures required by Financial Reporting Standard 101 to assess whether they are compliant with the standard and observed industry practice.

Key observations

We are satisfied that borrowings have been accounted for appropriately and the disclosures are reasonable.

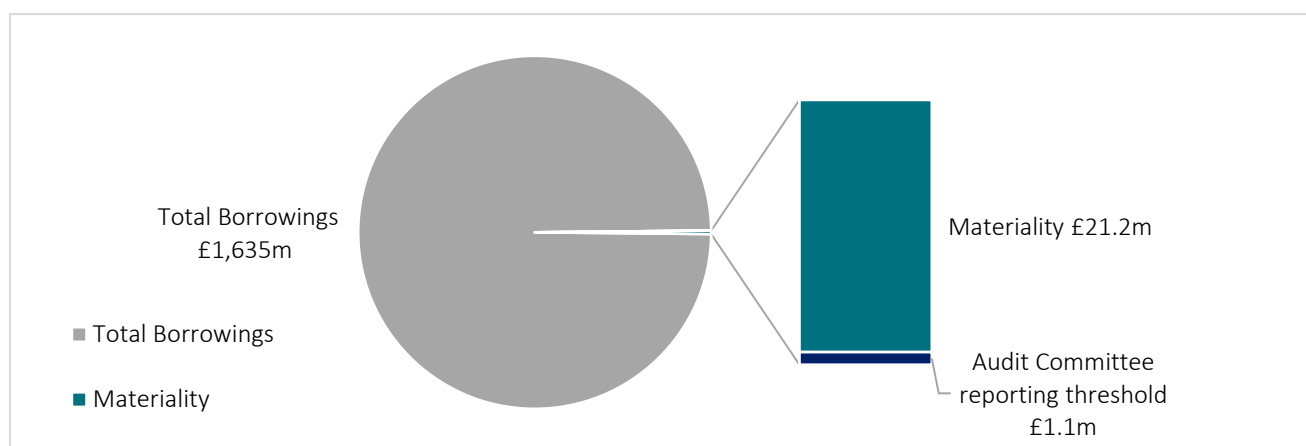
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£21.2m (2025: £31.1m)
Basis for determining materiality	1.3% of borrowings (2025: 3% of borrowings).
Rationale for the benchmark applied	The primary purpose of the company is to raise funding from external sources and provide funding to Osprey Acquisitions Limited (“OAL”). We have therefore used total borrowings as the most appropriate benchmark. Furthermore, in the current year we have reduced the percentage applied to the total borrowings benchmark for determining materiality from 3% to 1.3% to bring it more closely in line with the listed peer companies.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2026 audit (2025: 70%), remaining consistent with the previous year. We considered the below factors in our determination of performance materiality:

- the company's control environment which remains stable with the prior year;
- the functioning of the key business operations and ongoing performance improvements;
- strong experience of new executive management team and consistency of key accounting personnel during the year; and
- the low level of corrected and uncorrected misstatements identified in previous periods.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to them all audit differences in excess of £1.1m (2025: £1.5m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

The company's accounting records are contained within the Anglian Water Group's (AWG) accounting system.

During the year AWG undertook a migration to SAP S4 Hana. Due to this migration and deficiencies identified in the prior year audit on supporting IT systems we planned to adopt a fully substantive audit approach.

With the involvement of our IT specialists, we tested the design and implementation of the relevant General Information Technology Controls (GITCs) within the AWG's key reporting system post migration and other relevant supporting IT systems, including assessing access controls, change management controls, and segregation of duties.

8. Other information

The other information comprises the information included in the annual report 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10. 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.

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

11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the internal audit function, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists with consideration of group wide matters, including financial instruments and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we did not identify any specific risks of fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the licence conditions imposed by The Water Services Regulation Authority (Ofwat).

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and Ofwat; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by 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
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Director's remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 1 September 2016 to audit the financial statements for the year ending 31 March 2017 and subsequent financial periods. We were reappointed following a formal tender in 2021. The period of

total uninterrupted engagement including previous renewals and reappointments of the firm is ten years, covering the years ending 31 March 2017 to 31 March 2026.

14.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

15. 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.

Kate Hadley (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

24 June 2026

Anglian Water (Osprey) Financing Plc

Profit and Loss Account for the Year Ended 31 March 2026

	Note	2026 £'000	2025 £'000
Other operating income		83	51
Operating profit		83	51
Interest receivable	5	65,884	44,838
Interest payable and similar expenses	6	(61,933)	(43,453)
Expected credit (loss) on intercompany loan		(1,261)	(4,866)
Net finance income / (cost)		2,690	(3,481)
Profit / (loss) before tax		2,773	(3,430)
Tax charge on profit/(loss)	9	(1,009)	(359)
Profit/(loss) for the financial year		1,764	(3,789)

The above results were derived from continuing operations.

Anglian Water (Osprey) Financing Plc

(Registration number: 07476767)
Balance Sheet as at 31 March 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Fixed assets			
Investments	10	1,626,597	757,858
Current assets			
Investments	10	33,064	282,414
Investments – cash deposits		40,239	5,083
Cash and cash equivalents	11	31,661	24,553
		104,964	312,050
Creditors: Amounts falling due within one year			
Other payables	12	(96,465)	(35,226)
Loans and borrowings	13	(-)	(272,000)
Income tax liability		(1,009)	(359)
		(97,474)	(307,585)
Total creditors: Amounts falling due within one year			
Net current assets		7,490	4,465
Total assets less current liabilities		1,634,087	762,323
Creditors: Amounts falling due after more than one year			
Loans and borrowings	13	(1,635,000)	(765,000)
		(1,732,474)	(1,072,585)
Total liabilities			
Net assets/(liabilities)		(913)	(2,677)
Capital and reserves			
Called up share capital	14	50	50
Profit and loss account		(963)	(2,727)
		(913)	(2,677)
Shareholders' (deficit)			
		(913)	(2,677)

Notes 1 to 16 are an integral part of these financial statements.

The financial statements on pages 16 to 28 were approved by the Board on 24 June 2026 and signed on its behalf by:

Mr M J Thurston
Director

Mr M P Bradley
Director

Anglian Water (Osprey) Financing Plc

Statement of Changes in Equity for the Year Ended 31 March 2026

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 April 2025	50	(2,727)	(2,677)
Profit for the year	-	1,764	1,764
Total comprehensive income	-	1,764	1,764
At 31 March 2026	50	(963)	(913)
	Share capital £'000	Retained earnings £'000	Total £'000
At 1 April 2024	50	1,062	1,112
Loss for the year	-	(3,789)	(3,789)
Total comprehensive expense	-	(3,789)	(3,789)
At 31 March 2025	50	(2,727)	(2,677)

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

1 General information

The Company is a public limited company limited by shares, incorporated and domiciled in the UK.

The address of its registered office is:

Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

These financial statements were authorised for issue by the Board on 24 June 2026.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of the act.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Given the straight-forward nature of the Company no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been identified by management.

Going concern

The Directors believe, after due and careful enquiry, that the Company has sufficient resources to continue in operational existence for at least one year after the financial statements were authorised for issue and, therefore, consider it appropriate to adopt the going concern basis in preparing the 2026 financial statements.

As the Company does not operate separately to the OAL Group, the Directors have undertaken a detailed review of the ability of the Group to meet its liabilities as they fall due for a period of at least 12 months from the date these financial statements are approved. This review assessed the liquidity requirements of the Group compared against the cash and facilities available to the Group as detailed below.

Given the relative size and importance of AWSL to the Group, the assessment initially focused on the going concern of AWSL and is then updated to include wider Group considerations.

In assessing the appropriateness of the going concern basis of accounting, the Directors have reviewed the resources available to the Group in the form of cash and committed bank facilities headroom, which stands at £3bn as at 31 March 2026. As a result, the Group has sufficient liquidity to meet its operational needs in the 12 months post signing.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

Going concern (continued)

Whilst management note an on-going requirement to raise debt given the business model, management believe the business has sufficient access to capital markets and therefore they do not believe there to be a need to extend the period any further than 12 months.

The base forecast, which has been updated for the latest internal and external information has been subjected to a range of severe but plausible downside scenarios aligned to the risks facing the business.

In assessing going concern the Directors have considered a number of perspectives, including liquidity and debt covenants, and tested these against both the base scenario and the downside scenarios.

The Directors are satisfied that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, even under the severe but plausible downside scenarios considered.

For these reasons, the Directors believe it appropriate to continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

No key assumptions or significant judgements were required in the preparation of these financial statements.

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - Paragraph 16 of IAS 1, 'Presentation of financial statements' (statement of compliance with all IFRS);
 - Paragraph 10 (d) statement of cashflows;
 - Paragraph 38 comparative information in respect of paragraph 79(a)(iv) of IAS 1;
 - Paragraph 38A requirement of minimum of two primary statements, including cashflow statements;

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

Accounting policies (continued)

Summary of disclosure exemptions (continued)

- IAS 12 "Income Taxes" paragraphs 88C and 88D relating to disclosures of exposure to Pillar Two income taxes.
- IAS 7 "Statement of cashflows"
- Paragraph 30-31 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 of IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- Paragraph 17 of IAS 24 'Related party Disclosures' (key management compensation);
- Paragraph 8(d) of FRS 101 the requirements of IFRS 7 'Financial Instruments: Disclosures'; and
- Disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities, in accordance with IFRS 13 'Fair Value Measurement'.

New Standards, amendments and interpretations effective or adopted for the first time this period

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. None of the standards, interpretations and amendments effective for the first time from 1 April 2026 have a material effect on the financial statements.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Investments

Investments represent loans to the immediate parent undertaking (Osprey Acquisitions Limited) and reflect the "back-to-back" arrangement with the Company. After initial recognition at fair value, financial investments are held at amortised cost. This is based on the business' practice of acquiring financial assets to collect their contractual cash flows and the simple nature of the investments made, which consist solely of principal payments and interest on the principal outstanding.

The expected credit loss (ECL) model requires the Company to account for ECLs and changes in those ECLs at each reporting date to reflect changes in credit risk since initial recognition of the financial assets, therefore this is no longer dependent on the Company first identifying a credit loss event. This requires consideration of a broader range of information when assessing credit risk and measuring ECLs, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- where credit risk is low or has not increased significantly since recognition ('Stage 1');
- where credit risk is not low or has increased significantly since initial recognition ('Stage 2'); and
- where the financial asset is credit impaired (Stage 3).

'12-month expected credit losses' are recognised for Stage 1 while 'lifetime expected credit losses' are recognised for Stage 2.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

Accounting policies (continued)

Investments (continued)

Expected credit losses are defined as the weighted average of credit losses with the respective risk of default occurring as the weights.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company assesses the risk that OAL defaults on the investment loans and provision for the expected credit loss by observing the credit default swap market. If the probability of default were to increase or decrease by 0.5% this would have a positive or negative impact on the Income Statement of £4.9 million. Management consider 0.5% to be a reasonably probable range based on historic market data.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments with original maturities of three months or less.

Other receivables

Other debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of other debtors is established in line with expected credit loss model under IFRS 9.

Other payables

Other creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Company's activity of the raising of listed debt to on-lend to Osprey Acquisitions Limited constitutes a single class of business and, as such, no segmental reporting is required.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

3 Critical accounting judgements and key sources of estimation uncertainty

There are no key accounting judgements or critical sources of estimation.

4 Operating profit

Other operating income relates to management fees charged to other group companies. The Auditor's remuneration of £1,300 (2025 - £1,950) for audit services is borne by another group undertaking with no recharge to the Company.

5 Interest receivable and similar income

	2026	2025
	£'000	£'000
Other finance income	4,403	1,379
Interest on loans to immediate parent	61,481	43,459
	<hr/> 65,884	<hr/> 44,838

6 Interest payable and similar expenses

	2026	2025
	£'000	£'000
Interest on loans and borrowings	61,933	43,453
	<hr/> 61,933	<hr/> 43,453

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

7 Staff costs

There were no employees of the Company in this or the preceding year.

8 Directors' remuneration and employee information

None of the Directors received any emoluments for their services to the Company in this or the preceding year.

9 Taxation

The Company has applied the mandatory exception under IAS 12 in respect of the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. Accordingly, the Company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Tax charged in the profit and loss account

	2026 £'000	2025 £'000
Current taxation		
UK corporation tax	1,009	359

The tax on profit before tax (2025 – loss before tax) for the year is higher than (2025 – higher than) the standard rate of corporation tax in the UK of 25% (2025 – 25%).

	2026 £'000	2025 £'000
Profit / (loss) before tax	2,773	(3,430)
Corporation tax at standard rate	693	(858)
Effect of expected credit loss movements on intercompany loans in determining taxable profit (tax loss)	316	1,217
Total tax charge	1,009	359

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

10 Investments

Investments represent loans to the immediate parent undertaking, Osprey Acquisitions Limited, and reflect the "back-to-back" arrangements with external finance providers. These loans mirror the external loans and are on terms equal to those set out in note 13.

Amounts receivable from group companies are measured at amortised cost.

Cost	2026	2025
	£'000	£'000
At 1 April	1,047,413	1,030,606
Repayments	(302,000)	(70,000)
Additions	900,000	86,000
Other movements in the year	22,650	807
At 31 March	1,668,063	1,047,413
Provision for impairment		
At 1 April	(7,141)	(2,275)
Impairment in financial year	(1,261)	(4,866)
At 31 March	(8,402)	(7,141)
Net Book Value		
At 1 April	1,040,272	1,028,331
At 31 March	1,659,661	1,040,272

The company has total investments of £1,659.7 million (2025: £1,040.3 million), with £33.1 million (2025: £282.4 million) in current assets and £1,626.6 million (2025: £757.9 million) in non-current assets.

11 Cash at bank and in hand

	2026	2025
	£'000	£'000
Cash and cash equivalents		
Cash at bank	31,661	24,553

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

12 Other payables

	2026	2025
	£'000	£'000
Amounts due to parent undertaking	63,390	24,803
Social security and other taxes	11	9
Accrued Interest on external loan payable	33,064	10,414
Other payables	<u>96,465</u>	<u>35,226</u>

Amounts due to parent undertaking are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Loans and borrowings

	2026	2025
	£'000	£'000
Current loans and borrowings		
Borrowings	<u>-</u>	<u>272,000</u>

	2026	2025
	£'000	£'000
Non-current loans and borrowings		
Borrowings	<u>1,635,000</u>	<u>765,000</u>

Current and non-current borrowings comprise the following:

	2026	2025
	£'000	£'000
Financial instrument description		
£240 million 4.0% fixed rate bond 2026	-	240,000
£300 million 2.0% fixed rate bond 2028	300,000	300,000
£100 million 2.37% private placements 2031	100,000	100,000
£100 million 6.96% private placement 2033	100,000	100,000
£550 million 6.75% fixed rate bond 2031	550,000	-
£350 million 6.375% fixed rate bond 2033	350,000	-
£105 million 2.2% private placements 2028	105,000	105,000
£30 million floating term facility 2027 - 1	-	30,000
£30 million floating term facility 2027 - 2	30,000	30,000
£100 million floating term facility 2027	100,000	100,000
RCF £250m	-	32,000
	<u>1,635,000</u>	<u>1,037,000</u>

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

13 Loans and borrowings (continued)

Maturity profile of borrowings is as follows:

	Within one year £'000	Between one and five years £'000	Between five and 25 years £'000	After 25 years £'000	Total £'000
At 31 March 2026					
Borrowings	(74,200)	(830,400)	(1,220,400)	-	(2,125,000)
Receivable from Osprey Acquisitions Limited	43,900	830,400	1,220,400	-	2,094,700
	(30,300)	-	-	-	(30,300)
At 31 March 2025					
Borrowings	(311,200)	(643,800)	(225,600)	-	(1,180,600)
Receivable from Osprey Acquisitions Limited	296,800	643,800	225,600	-	1,166,200
	(14,400)	-	-	-	(14,400)

A security agreement dated 16 June 2021 between Anglian Water (Osprey) Financing Plc, Osprey Acquisitions Limited, Osprey Investco Limited and Deutsche Trustee Company Limited (as agent and trustee for itself and each of the Secured Parties) creates a fixed and floating charge over the assets of Anglian Water (Osprey) Financing Plc, Osprey Acquisitions Limited and Osprey Investco Limited. In addition, there is a mortgage over the issued share capital of Anglian Water (Osprey) Financing Plc, Osprey Acquisitions Limited and AWG Parent Co Limited. At 31 March 2026 this mortgage applies to £1,635.0 (2025: £1,037.0) million of the debt listed above.

In accordance with IFRS 9, 'Financial instruments', Anglian Water (Osprey) Financing Plc has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. There were no amounts recorded in the profit and loss account for gains and losses on embedded derivatives in the year ended 31 March 2026 (2025: £nil).

Borrowing facilities

The Company has a £340.0 million syndicated revolving credit facility (2025: £340.0 million), of which £nil million (2025: £32.0 million) was drawn at year end.

14 Called up share capital

Authorised, called up and fully paid shares

	2026	2025
	£	£
50,000 ordinary shares of £1 each	50,000	50,000

The company has one class of ordinary shares which carries no right to fixed income.

Anglian Water (Osprey) Financing Plc

Notes to the Financial Statements for the Year Ended 31 March 2026

15 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Osprey Acquisitions Limited, a company registered in England.

Osprey Acquisitions Limited is the parent company of the smallest group to consolidate the financial statements of the company, copies of which can be obtained from the Company Secretary at the registered address: Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6XU.

Anglian Water Group Limited, whose registered address is 44 Esplanade, St. Helier, Jersey, JE4 9WG, is the parent company of the largest group to consolidate the financial statements of the company, copies of which can be obtained from the Company Secretary, Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6XU. The Directors consider that ultimate control of the Company is exercised by this consortium of investors.

The Directors consider Anglian Water Group Limited, a company registered in Jersey but domiciled in the United Kingdom, to be the ultimate parent undertaking. Anglian Water Group Ltd is itself owned by a consortium of investors consisting of: CPP Investment Board Private Holdings (6) Inc., Global InfraCo (HK) E. Limited, First Sentier Investors (Luxembourg) Infrastructure (B) GP S.a.r.l. as managing general partner of Infrastructure Lux (B) SCSp, Camulodunum Investments Ltd, and Platinum Globe A 2013 RSC Limited.

16 Events after the balance sheet date

The Directors have recommended not to pay a final dividend in relation to 2025/26.

There have been no events between the balance sheet date, and the date on which the financial statements were approved by the Board, which would require adjustment to the financial statements or any additional disclosures.