Glas Cymru Holdings Cyf

Interim report and accounts

for the six months ended 30 September 2025

Contents

Chief Executive's Statement

At the end of the year, I will stand down as Chief Executive of Dwr Cymru Welsh Water, this will therefore by my final official report for the company. Having first joined Welsh Water as an apprentice over 45 years ago, I have witnessed first hand the seismic changes that have impacted the sector and the company over that period – indeed, the sector was a nationalised industry when I joined the company, devolution of powers to Wales had been rejected in 1979 while most sewerage was discharged untreated to the sea. Today, the business is unrecognisable to what it was 10 years ago, let alone 45 years ago.

The one consistent throughout the 45 years of my time at Welsh Water has been the unwavering commitment and hard work of the thousands of people who have worked for the company, its contract partners and suppliers – and I thank them wholeheartedly for their support.

Whilst we face many challenges today, operational performance is incomparable to what it was even 20 years ago. The targets we must meet continue to get tougher as regulators rightly want to push for higher standards but maintaining increasingly aging assets and the real impact of climate change are making it ever more difficult to strike an acceptable balance between performance improvements and building resilience for the future, at a cost that is acceptable to our customers. We cannot do everything, everywhere all at once – it is not affordable or deliverable, and we must therefore work ever closer with our key stakeholders, and most importantly, our customers to agree how limited resource is prioritised.

Earlier this year, the average household bill increased by 27%, and some customers will have received even greater increases. At a time when we're asking more of our customers, it is only right that we review how every pound of customer money is spent by the company, how efficient our processes are, ensuring that value for money is achieved across our supply chain. This is the basis of our Trawsnewid transformation programme, which aims to improve our processes, make better use of technology and ensure that the company's funds are focussed on front line delivery of services. The need to transform how we work was made even more urgent when, earlier this year, the credit ratings agencies downgraded companies across the sector – increasing the cost of borrowing and putting greater strain on our finances. In order to maintain our finances on a stable footing, we are reducing the number of people employed by the company by 500 – or 12% of the workforce - over the course of the next 18-24 months. This is a decision that we did not want to take, but it is necessary.

Over the past six months, we have launched our largest-ever capital investment programme, committing over £4 billion across the AMP to deliver improvements for our customers, communities, and the environment. The scale of our ambition is clear, but so too is the responsibility to deliver — as a company owned on behalf of its customers, and no one else.

This summer was the hottest and driest in 140 years; despite the challenges of a prolonged dry period, record temperatures and successive heatwaves, careful management of our supplies meant that we maintained our services without imposing temporary restrictions – unlike several other water companies in England which introduced 'hosepipe bans'. Although a temporary 'developing drought' status was declared in mid and south Ceredigion, early planning, proactive monitoring, and mitigation measures such as intensified leakage detection ensured we avoided any further escalation.

I'm pleased that our customer service performance remains amongst the best in the sector but I'm very conscious that customer satisfaction and trust cannot be assumed; it must be earned through visible delivery, accountability, and responsiveness. This is especially important at a time when customers' bills are increasing.

Operational Resilience and Water Resources

Despite significant improvement to operational performance over the longer term, we know that in recent years performance isn't improving at the pace that we – or our stakeholders - would like it to. Some of the measures such as leakage have been influenced by the operational challenges we have faced as we managed the impact of one of the hottest summers on record in Wales. Other measures such as interruptions to supply have again been impacted by several large-scale operational incidents.

Environmental Performance

Our environmental performance remains under close scrutiny and while we have made good progress against a number of measures such as internal and external flooding, improving river water quality and overall pollution incidents, we need to do more to improve discharge permit compliance at our wastewater treatment works and reducing serious pollution incidents. Natural Resources Wales (NRW) confirmed its Environmental Performance Assessment in October where we remain at two stars, reflecting the ongoing challenges we face. However, we have improved four of the seven elements of the EPA measure in the last year, and our total number of pollution incidents is the second lowest in the industry.

We fully recognise the scale of the challenge we face in improving our environmental performance. Regulatory definitions are evolving and so meeting rising expectations from regulators, customers and communities requires unprecedented levels of investment and transformation. Over £2bn will be invested over the next 5 years to protect the environment, such as improving compliance at our wastewater treatment works and managing the impact of tightening over 3,700 environmental permits on our operations. We are currently reshaping the way we run our wastewater business, ensuring that we are better equipped to meet new regulatory requirements and deliver sustainable improvements. Together, these commitments reflect both of the urgency of the task and our determination to rise to it.

Preparing for the future

Looking ahead, the publication of the Water Industry (Cunliffe) Review in July represents a significant milestone for the sector. We engaged fully with this process from the outset and while it is encouraging that the Commission has recognised the distinct challenges and opportunities for Wales, we will continue to work with the Welsh Government and other regulators to ensure that these are addressed as the water industry is reformed for this and future generations.

Finally, my successor, Roch Cheroux, will take over from me as Chief Executive in the New Year. Roch brings extensive operational, strategic and leadership experience, most recently as Chief Executive of Sydney Water and will formally assume the role in the New Year. Roch and I are working closely to ensure a smooth transition as part of the handover, but I would like to take this opportunity to thank the Chair, the Board and colleagues (past and present) for their support during my 45 year career at Welsh Water. Much has changed within the company and wider industry during this time, but the commitment and dedication of our people to deliver one of the most essential services to protect public health remains unchanged. As we approach nearly 25 years since establishing Glas Cymru as a 'not for profit' water company in 2001, I am confident that the company is well placed to move into the next phase and navigate the challenges and capitalise on the opportunities which lie ahead.

Peter Perry
Chief Executive, Welsh Water
18 November 2025

Performance summary

Protecting water supplies

- Overall compliance with the Drinking Water Inspectorate Compliance Risk Index (CRI) so far this calendar year at 5.54 is behind target (2.84) which was largely due to bacteriological failures at some of our assets such as treatment works or service reservoirs which carry a higher CRI weighting. We are addressing this by targeting interventions outlined in our improvement plans (DWR Plan and Water Quality First approach).
- Customer acceptability (i.e. number of times the company is contacted by customers due to the taste and odour of drinking water, reported per 1,000 population) at 2.13 was behind this year's target (1.58). These issues are primarily caused by iron and manganese deposits in cast iron trunk mains of which we still have 7,000 miles. We are investing £150m over the next 5 years to reduce discoloured water.
- The average number of minutes that a customer has had their supply interrupted in the first half was 1hr.11.51 minutes against our target of 10.00 minutes. This was driven by bursts on large diameter mains such as Bretton (August) and St Mellons in Cardiff (September).
- In terms of leakage, 2024/25 represented the first year of AMP7 where year on year levels of leakage reduced. In 2025/26 leakage levels have continued to decrease despite the impact of this year's unusually dry weather conditions. Overall, our performance is still behind the 3-year average target and we remained committed to return leakage levels to target through increased repair activities over the autumn and winter months.
- We are targeting investment to replace some of these mains and have replaced 84.8 km of mains (per 1,000km of water network) which has exceeded our target of 83.7km.

Environmental performance

- Overall treatment works compliance at 97.40% is worse than last year (HY 2025: 98.87%), which has been influenced by the very dry and warm weather which impact the biological treatment process. We will need to monitor this closely over coming months as maintaining performance becomes even more challenging during the wetter winter months.
- Our performance in relation to internal sewer flooding at 0.46 (per 10,000k of sewer connections) is better than last year's performance (HY 2025: 0.67) and ahead of our target of 0.66. This is also true of external flooding which was 10.13 (per 10,000k of sewer connections) which exceeded our target of 10.71.
- We recorded 5 serious pollution incidents up to September 2025, which is better than the same period as last year. The overall number of pollution incidents was 83 which is also better than last year (HY 2025: 104). We continue to develop new innovations such as Storm Harvester (predictive AI tool that uses telemetry data to learn trends and highlights anomalies for proactive investigations) and installation of additional telemetry to improve our way of working.
- We currently generate 22% of our own energy needs through wind, hydro, solar and advanced anaerobic digestion (AAD) and aim to be 35% energy self-sufficient by summer 2026.

Financial overview

Key financials:

£m	HY 2026	HY 2025	% change
Revenue	583.3	460.8	27%
Operating profit	87.8	(1.3)	n/a
Adjusted operating profit*	103.2	(1.3)	n/a
Loss before taxation	(28.9)	(54.0)	46%
Gearing*	62%	62%	-
EBITDA*	305.8	191.3	60%
Capital investment*	288.3	295.4	(2%)
Net finance costs	117.0	52.8	121%
Adjusted net finance costs*	85.4	64.4	33%

*Alternative performance measures are defined and reconciled to their nearest IFRS equivalent in note 3.

Performance summary

In the six months to 30 September 2025:

- Our revenue increased by 27% to £583 million (2024: £461 million), primarily reflecting customer price increases.
- Adjusted operating profit of £103 million improved by £104 million (2024: £1 million loss) reflecting the revenue increase noted above partially offset by higher operating costs driven by an increase in bad debt charges (£7 million) as a result of the customer price increases, inflationary pay awards to staff (£2 million), spend to protect compliance activities (£2 million) and £3 million customer compensation payments following major bursts compounded by a one-off business rate refund of £4 million in the prior period.
- Transformation and restructuring costs of £15 million relate to our Trawsnewid transformation programme, split £7 million professional services costs and £8 million employee related restructuring costs.
- Adjusted net finance costs has increased by 31% to £85 million (2024: £65 million) reflecting interest charges on recent debt issuances, notably £750 million bond issuance last financial year.
- The Group reported a loss before taxation of £29 million (2024: £54 million).
- Capital investment totalled £288 million (2024: £295 million), the commencement of our largest-ever capital investment programme, committing over £4 billion across the AMP to deliver improvements for our customers, communities, and the environment.
- The fair value liability of the Group's interest rate and energy price swaps has increased slightly by £12 million to £358 million compared to March 2025 (£346 million). This change is driven by unwind of discounting and macro-economic financial market movements.
- The Group has cash, short-term deposits and undrawn syndicated bank facilities of £1.4 billion (March 2025: £1.3 billion), giving the Group a high level of financial liquidity.
- Gearing has stayed at 62% since March 2025, remaining well within the threshold of our covenants and existing credit rating.
- Credit ratings remain at BBB+/Baa1/A- for senior Class B debt from Standard and Poor's, Moody's and Fitch respectively.

Statement of Directors' responsibilities and other matters

The Directors have voluntarily complied with the Disclosure and Transparency Rules. The Group, including Dŵr Cymru Cyfyngedig, has committed to publish information about its interim results as if it were subject to the Listing Rules of the Financial Conduct Authority.

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared and approved by the Directors in accordance with UK-adopted IAS 34 'Interim Financial Reporting';

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Directors

The following Directors are responsible for the preparation of this half-yearly report:

Jane Hanson (Non-Executive Chair of the Board)	Peter Perry (Chief Executive Officer)
Debra Bowen Rees (Non-Executive Director)	Tom Crick (Non-Executive Director)
Joanne Kenrick (Non-Executive Director)	Darren James (Non-Executive Director)
Alison Wilcox (Non-Executive Director)	Sir James Bevan KCMG (Non-Executive Director)
Darren Pope (Non-Executive Director)	

Principal risks and uncertainties

The principal risks and uncertainties affecting the Group for the six months to 30 September 2025 have been updated from those presented on pages 32 to 37 of the Group's published Annual Report and Accounts for the year ended 31 March 2025, with the clarification of three risk factors:

- Performance Risk: The Group's ability to deliver on its performance commitments is increasingly interlinked with financial outcomes, including the risk of regulatory penalties and increased operational costs. These factors may, in turn, impact credit ratings, the Group's access to funding and the cost of capital. The Board continues to monitor these interdependencies closely, recognising that underperformance in key areas could have a material adverse effect on both financial resilience and stakeholder confidence.
- Transformation and restructuring costs: The Group is undertaking a range of transformation and recovery initiatives to reduce costs, improve performance and meet regulatory expectations. They will result in one off restructuring costs in the near term, which may impact financial metrics and require careful management to avoid exacerbating funding risks.
- Asset Health Risk: Maintaining and improving asset health remains a key risk, particularly given the scale of investment required in AMP8 and the need to ensure resilience against climate change and ageing infrastructure. The Board is mindful that a failure to deploy available resources appropriately against asset health or there being inadequate overall resources to invest adequately in asset health could lead to increased operational incidents, regulatory penalties, and reputational damage.

The Annual Report and Accounts are published on the Group's website, www.dwrcymru.com, and are available from the Company Secretary on request, and outlines other key risks faced by the Group as follows: public concerns about environmental issues; business continuity; climate change impacts and transition risks; health and safety major incident; information security, cyber risk and risk of IT system loss; performance and cost; loss of customer trust; loss of key talent, capability and competence; and cost of and access to funding. Emerging risks which could affect the Group's ability to achieve its 2026-30 business plan or longer-term strategic goals are also closely monitored. The current two emerging risks identified are; public health (micropollutants in drinking water and plastics in wastewater) and legislative divergence (increased costs from compliance with obligations that may diverge in England and Wales). These emerging risks are also discussed in the 2024/25 Annual Report and Accounts of Glas Cymru on pages 38 and 39. Furthermore, the final report of the Independent Water Commission, chaired by Sir Jon Cunliffe, was published in July 2025. Government consultation is due to start on Its recommendations to reform the water sector regulatory system with legislative changes potentially following in 2026.

Statement of Directors' responsibilities and other matters

Significant matters with the potential to impact the group

Ofwat and Environment Agency - Investigation into wastewater operations

During 2022 Ofwat and the Environment Agency opened enforcement cases into six water companies, and subsequently on 16 July 2024 announced the opening of enforcement cases into the remaining four water and sewerage companies, including Dŵr Cymru Welsh Water (the Wastewater investigation), and served us and them with formal s.203 Water Industry Act notices requesting further information. This disclosure has been requested to review the extent of any non-compliances with "full flow to treatment" requirements at Wastewater Treatment Work sites and to establish how the Company's compliance with legal and regulatory obligations have been managed. The Board continues to oversee the Group's response to Ofwat's investigation to ensure that the processes we have followed and the data to be shared are appropriate and robust, with requisite due diligence and oversight. The Board remains committed to delivering lasting service improvement and will continue to engage with regulators in an open and transparent manner throughout their investigation.

River pollution claims

Dŵr Cymru Cyfyngedig (DCC) has received claims on behalf of 693 claimants relating to allegations concerning its activities causing pollution in the rivers Wye, Lugg and Usk, and their tributaries. Solicitors acting for the claimants state that there are more than 4,000 claimants with further claims to be issued periodically. DCC denies liability and plans to defend the case robustly. More details are available in note 12.

Going concern

The interim financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Group and parent company have adequate resources for a period of at least 12 months from the date of their approval and that there are no material uncertainties to disclose.

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 £1,359m at 30 September 2025, as well as consideration of the Group's capital adequacy. The Group presently has £400m revolving credit facilities available to use at its discretion and should the Group deem beneficial. The Group's revolving credit facilities have a termination date of February 2028. As a result, should the Group be required to use its surplus liquidity, this would be adequate to meet operational needs in the short-term and means we would not require further funding beyond our existing revolving credit facilities until March 2027, where our next material debt repayment is due to occur.

The Group has maintained active relationships with a number of lenders and also monitors market trends, being aware of the regular, well-subscribed debt issuances in the sector. Considering the Group's investment grade credit ratings, the Directors are confident in the Group's ability to retain the current liquidity coverage by raising the required funds of c.£1.5bn in the going concern period, in a timely manner and at a competitive rate, with various alternative options available such as earlier refinancing issuances, private placement bonds and term loans.

Details of the Principal Risks and Uncertainties are included on page 6. Reduced cash flows would impact on key financial metrics, in particular interest cover ratios. In the severe plausible downside scenario, gearing and interest covers retain headroom within the trigger levels specified in borrowing covenants; and whilst the reduced cash flows would breach certain short-term credit rating metric thresholds given the medium term metric improvements driven by transformation and strong gearing levels, we do not anticipate that this alone would cause ratings action that would create a trigger event within the CTA.

Having considered these matters, the Directors do not believe there are any material uncertainties to disclose in relation to the Group's ability to continue as a going concern.

By order of the Board

Nicola Foreman
Company Secretary
18 November 2025

Condensed consolidated income statement for the six months ended 30 September 2025

	Note	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Revenue	*2*	583.3	460.8	919.5
Operating costs				
- Operational expenditure		(203.1)	(186.1)	(400.3)
- Impairment of trade and other receivables		(17.6)	(11.0)	(21.2)
- Other operating income		2.7	2.6	5.4
- Transformation and restructuring costs	*3*	(15.4)	-	-
- Infrastructure renewals expenditure		(59.5)	(75.0)	(120.7)
- Depreciation and amortisation		(202.6)	(192.6)	(391.2)
Operating profit/(loss)		87.8	(1.3)	(8.5)
Profit on disposal of fixed assets		0.3	0.1	-
Profit/(loss) before interest and taxation		88.1	(1.2)	(8.5)
Financial expenses				
- Financial income	*4*	18.5	10.3	29.1
- Financial expenses	*4*	(123.1)	(95.7)	(231.1)
- Fair value (losses)/gains on derivative financial instruments	*4*	(12.4)	32.6	64.5
Net finance costs		(117.0)	(52.8)	(137.5)
Loss before taxation		(28.9)	(54.0)	(146.0)
Taxation	*5*	6.2	12.2	34.9
Loss for the period		(22.7)	(41.8)	(111.1)

The notes on pages 13 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of other comprehensive income for the six months ended 30 September 2025

	Note	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Loss for the period		(22.7)	(41.8)	(111.1)
Items that will not be reclassified to profit or loss:				
Actuarial gain recognised in the pension scheme		2.0	12.2	26.0
Related deferred tax	*5*	(0.5)	(3.1)	(6.5)
Revaluation of property, plant and equipment	*6*	224.7.	20.1	(58.5)
Related deferred tax	*5*	(56.2)	(5.0)	14.6
Total items that will not be reclassified to profit or loss		170.0	24.2	(24.4)
Total comprehensive income/(expense) for the period		147.3	(17.6)	(135.5)

The notes on pages 13 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated balance sheet as at 30 September 2025

Assets	Note	At 30 September 2025 (unaudited) £m	At 30 September 2024 (unaudited) £m	At 31 March 2025 (audited) £m
Non-current assets				
Property, plant and equipment	*7*	7,867.3	7,412.2	7,539.3
Intangible assets		185.7	201.9	196.0
Trade and other receivables	*8*	2.2	0.6	0.6
Other financial assets: Employee benefits		55.6	41.5	52.5
Other financial assets: derivative financial instruments		-	0.3	0.7
		8,110.8	7,656.5	7,789.1
Current assets				
Inventories		9.4	7.8	8.5
Trade and other receivables	*8*	525.4	463.5	711.1
Cash and cash equivalents		959.1	711.9	638.4
Other financial assets: derivative financial instruments		0.7	1.5	2.6
		1,494.6	1,184.7	1,360.6
Total assets		9,605.4	8,841.2	9,149.7
Liabilities				
Current liabilities				
Trade and other payables	*9*	(445.5)	(424.1)	(732.4)
Provisions		(9.5)	(1.3)	(1.4)
Other financial liabilities:				
- borrowings		(622.5)	(189.5)	(624.3)
- derivative financial instruments		(74.2)	-	(68.6)
		(1,151.7)	(614.9)	(1,426.7)
Net current assets/(liabilities)		342.9	569.8	(66.1)
Non-current liabilities				
Trade and other payables	*9*	(958.6)	(800.1)	(886.1)
Employee benefits		(1.9)	(2.7)	(3.2)
Provisions		(5.5)	(5.5)	(4.6)
Other financial liabilities:				
- borrowings		(4,856.7)	(4,702.7)	(4,398.9)
- derivative financial instruments		(284.2)	(405.8)	(280.9)
Deferred tax (net)		(813.0)	(805.1)	(762.8)
		(6,919.9)	(6,721.9)	(6,336.5)
Total liabilities		(8,071.6)	(7,336.8)	(7,763.2)
Net assets		1,533.8	1,504.4	1,386.5
Revaluation reserve		1,663.8	1,658.7	1,546.9
Retained earnings		(130.0)	(154.3)	(160.4)
Reserves		1,533.8	1,504.4	1,386.5

The condensed consolidated interim financial statements on pages 8 to 22 were approved by the Board of Directors on 18 November 2025 and were signed on its behalf by:

Peter Perry
Chief Executive Officer

Condensed consolidated statement of changes in reserves for the six months ended 30 September 2025

	Note	Six months ended 30 September 2025 (unaudited) Revaluation reserve £m	Six months ended 30 September 2025 (unaudited) Retained earnings £m	**Six months ended 30 September 2025 (unaudited) Total £m**	**Six months ended 30 September 2024 (unaudited) Total £m**	**Year ended 31 March 2025 (audited) Total £m**
Reserves at start of period		1,546.9	(160.4)	**1,386.5**	1,522.0	1,522.0
Loss for the period		-	(22.7)	**(22.7)**	(41.8)	(111.1)
Actuarial gain net of tax		-	1.5	**1.5**	9.1	19.5
Revaluation net of tax	*6*	168.5	-	**168.5**	15.1	(43.9)
Transfer to retained earnings		(51.6)	51.6	**-**	-	-
Reserves at end of period		1,663.8	(130.0)	**1,533.8**	1,504.4	1,386.5

The transfer to retained earnings represents depreciation relating to revaluation of assets net of related deferred tax.

The notes on pages 13 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows for the six months ended 30 September 2025

	Six months ended 30 September 2025 (unaudited)	Six months ended 30 September 2024 (unaudited)	Year ended 31 March 2025 (audited)
Cash flow from operating activities	**£m**	**£m**	**£m**
Operating profit/(loss) for the period	**87.8**	(1.3)	(8.5)
Adjustments for			
- Depreciation and amortisation	**202.6**	192.6	391.2
- IAS 19 pension service cost	**(0.7)**	-	0.7
Changes in working capital			
- Decrease/(increase) in trade and other receivables	**185.9**	182.0	(70.7)
- (Increase)/decrease in inventories	**(0.9)**	0.1	(0.6)
- (Decrease)/increase in trade and other payables	**(269.6)**	(195.9)	101.5
- Increase/(decrease) in provisions	**9.0**	(3.4)	(4.2)
Cash generated from operating activities	**214.1**	174.1	409.4
Income tax received	**0.6**	0.2	0.2
Net cash flow from operating activities	**214.7**	174.3	409.6
Cash flow from investing activities			
Interest received	**15.3**	8.1	23.2
Purchase of property, plant and equipment	**(233.3)**	(209.5)	(502.0)
Purchase of intangible assets	**(11.6)**	(21.6)	(39.5)
Proceeds from sale of plant and equipment	**0.2**	-	-
Grants and contributions received	**16.1**	10.7	33.3
Net cash flow from investing activities	**(213.3)**	(212.3)	(485.0)
Net cash flow before financing activities	**1.4**	(38.0)	(75.4)
Cash flow from financing activities			
Term loan repayments	**(49.8)**	(129.0)	(171.0)
Payment of lease liabilities	**-**	-	(49.9)
Loan issue costs	**-**	(1.6)	(1.2)
Long term loans received	**-**	125.0	200.0
Bond issue proceeds	**448.4**	597.7	743.3
Bond issue costs	**(1.6)**	(1.9)	(2.2)
Interest paid	**(76.8)**	(46.5)	(185.6)
Receipts on derivative financial instruments	**5.7**	45.9	87.8
Payments on derivative financial instruments	**(6.6)**	(6.8)	(7.6)
Payments for termination of derivative financial instruments	**-**	-	(66.9)
Net cash flow from financing activities	**319.3**	582.8	546.7
Net increase in cash and cash equivalents	**320.7**	544.8	471.3
Cash and cash equivalents at start of period	**638.4**	**167.1**	167.1
Cash and cash equivalents at end of period	**959.1**	**711.9**	638.4

The notes on pages 13 to 22 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

Glas Cymru Holdings Cyfyngedig (the Company) is a company domiciled in England and Wales. These condensed consolidated interim financial statements for the six months ended 30 September 2025 comprise the Company and its subsidiaries (together referred to as the Group). The Group's principal activity is the operation of a water and sewerage services business in the UK.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 March 2025. They do not include all of the information required for a complete set of IFRS financial statements, however selected explanatory notes are included to explain items that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. For details of future changes to accounting standards and how these will impact on the Group please refer to the published Annual Report and Accounts for the year ended 31 March 2025. No new IFRS standards which impact the Group have been issued or come into effect since 31 March 2025.

The principal accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with the published Annual Report and Accounts for the year ended 31 March 2025.

The Annual Report and Accounts are published on the Group's website www.dwrcymru.com and are available from the Company Secretary on request.

These condensed consolidated interim financial statements are unaudited. The interim financial results do not comprise the Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 March 2025 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. No events or transactions took place during the current interim period which are material to one's understanding of these financial statements, with the exception of material transformation and restructuring costs incurred as a direct result of the Group's Trawsnewid transformation programme – see note 3 for more information.

The Company is limited by guarantee and does not have any share capital. In the event of the Company being wound up, the liability of its members is limited to £1 each.

Estimates and judgements

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenditure. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.

The significant judgements and estimates relate to:

- the provision for impairment of trade receivables: no change to methodology with underlying cash collection rates remaining consistent.
- pension benefits: the mortality assumption has been updated reflecting a more detailed mortality analysis undertaken as part of the triennial valuation process and to use the CMI 2024 project model rather than the 2023 model
- fair value estimation of derivative financial instruments.
- capitalisation of property, plant and equipment.
- useful economic life impact on depreciation.
- income from connections for the water and sewerage network; and
- unbilled revenue recognition.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation (continued)

Going concern

The interim financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Group and parent company have adequate resources for a period of at least 12 months from the date of their approval and that there are no material uncertainties to disclose. Further information on the basis of the Board's conclusion is available on page 7.

2. Revenue

The Directors consider that there is only one operating segment, being the operation of water and sewerage business (and peripheral commercial activities) in the UK. As the Group has only domestic activities there is also only one geographical segment; therefore, the disclosures for this segment have also already been given in these financial statements. Whilst the Group operates in a single segment, its activities can be disaggregated into the following principal income streams:

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Regulated revenue			
Water	**227.9**	179.7	340.8
Sewerage	**299.0**	245.8	503.2
Retail	**48.7**	27.6	62.8
Total regulated revenue	**575.6**	453.1	906.8
Other (non-regulated)	**7.7**	7.7	12.7
Total revenue	**583.3**	460.8	919.5

Regulated revenue relates to the provision of water, sewerage and related retail services operating under Dŵr Cymru Cyfyngedig's licence as part of the water industry in England and Wales, regulated by the Water Services Regulation Authority (Ofwat). Other (non-regulated) revenue relates to income streams which are not subject to Ofwat's price control; these principally comprise organic energy generation and certain other activities which are peripheral and/or complementary to the Group's core water and sewerage business.

3. Alternative performance measures

The Group reports under International Financial Reporting Standards (IFRS) and supplements its IFRS measures with alternative performance measures (APM)s. These measures are used by the Board to monitor performance and are also relevant to financial covenant calculations under the Common Terms Agreement (CTA).

APMs disclosed in these financial statements include Adjusted Operating Profit, EBITDA, Adjusted Net Debt, Gearing. These measures are not defined under IFRS and may not be comparable to similarly titled measures used by other entities.

A reconciliation to the most directly comparable IFRS measure, along with definitions and explanations of adjustments, is provided below. These measures are presented to enhance users' understanding of the Group's financial performance and are not intended to be a substitute for IFRS measures.

3. Alternative performance measures (continued)

Adjusted operating profit

Adjusted operating profit excludes items that are considered to be significant in nature and/or quantum at a Group level and where treatment as an adjusted item provides our stakeholders with additional useful information to assess the period-on-period underlying trading performance of the Group. The Group excludes the following defined items:

- Transformation and restructuring costs – the Group has incurred material additional costs as a direct result of our Trawsnewid transformation programme;

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Operating profit/(loss) as reported under IFRS	87.8	(1.3)	(8.5)
Transformation and restructuring costs	15.4	-	-
- Employee related costs	8.6	-	-
- Professional service fees	6.8	-	-
Adjusted operating profit/(loss)	**103.2**	**(1.3)**	**(8.5)**

Adjusted cash generated from operating activities

A reconciliation showing the items that bridge between net cash from operating activities as reported under IFRS to an adjusted basis is given below. It is calculated based on the Group's statutory cash generated from operating activities and adjusted for the cash impact of adjusting items included within adjusted operating profit:

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Cash generated from operating activities under IFRS	**214.1**	**174.1**	**409.4**
Transformation and restructuring costs	4.5	-	-
Adjusted cash generated from operating activities	**218.6**	**174.1**	**409.4**

Earnings before interest, taxation, depreciation and amortisation (EBITDA)

EBITDA is a measure used as a proxy to the cash generated by the Group, available for capital investment. EBITDA is calculated by adding depreciation of property, plant and equipment and amortisation of intangible assets to adjusted operating profit:

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Adjusted operating profit/(loss)	**103.2**	**(1.3)**	**(8.5)**
Depreciation and amortisation	202.6	192.6	391.2
EBITDA	**305.8**	**191.3**	**382.7**

3. Alternative performance measures (continued)

Adjusted net finance costs

Adjusted net finance costs excludes the non-cash fair value gains and losses on derivative financial instruments. This is a measure of the underlying finance costs of the Group if the borrowings had been contracted on a post derivative financial instrument basis.

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Net finance costs under IFRS	**(117.0)**	**(52.8)**	**(137.5)**
Fair value losses/(gains) excluding settlements accruing on derivative financial instruments	31.6	(11.6)	(8.3)
Adjusted net finance costs	**(85.4)**	**(64.4)**	**(145.8)**

Adjusted net debt and gearing

Adjusted net debt is a measure of indebtedness used to calculate gearing under the terms of the Common Terms Agreement (CTA). It is calculated by adding the following items to net debt as defined within note 10:

- Unamortised issue costs
- Swap indexation – the cumulative indexation accrued on fixed rate bonds that have an associated swap which converts them to an index linked instrument
- Accrued derivative settlements – the timing difference between the receipt/payment of cash flows on swap instruments
- Accrued interest receivable
- Cash and cash equivalents outside of the GCA group (the group of companies under the whole business securitisation to which the CTA applies; Glas Cymru Anghyfyngedig, Dwr Cymru (Holdings) Limited, Glas Cymru (Securities) Limited, Dwr Cymru Cyfyngedig and Dwr Cymru (Financing) UK plc).

Gearing is defined as the ratio of adjusted net debt to the regulatory capital value of the Group.

	30 September 2025 (unaudited) £m	30 September 2024 (unaudited) £m	31 March 2025 (audited) £m
Net debt (see note 10)	**(4,520.1)**	**(4,180.4)**	**(4,384.8)**
Unamortised issue costs	(24.2)	(17.5)	(22.1)
Swap indexation	(442.3)	(468.4)	(394.0)
Accrued derivative settlements	20.1	22.3	-
Accrued interest receivable	3.5	-	2.8
Cash and cash equivalents outside of GCA group	(18.6)	(20.2)	(17.4)
Adjusted net debt	**(4,981.6)**	**(4,664.2)**	**(4,815.5)**
Regulatory Capital Value	8,042.4	7,604.3	7,723.1
Gearing	**62%**	**61%**	**62%**

3. Alternative performance measures (continued)

Capital investment

Capital investment is a measure of total expenditure on the Group's assets being the total of the cash impact of investment in property, plant and equipment, intangible additions net of grants and contributions plus infrastructure renewals expenditure charged to the income statement.

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Purchase of property, plant and equipment	233.3	209.5	502.0
Purchase of intangible assets	11.6	21.6	39.5
Grants and contributions received	(16.1)	(10.7)	(33.3)
Infrastructure renewals expenditure	59.5	75.0	120.7
Capital investment	**288.3**	**295.4**	**628.9**

4. Financial expenses

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Financial income	**18.5**	10.3	29.1
Financial expenses			
Interest payable on bonds	**(76.3)**	(53.6)	(123.5)
Indexation on index-linked bonds	**(24.7)**	(19.9)	(61.5)
Indexation on index-linked loan	**(6.2)**	(4.9)	(7.2)
Interest payable on leases (including swaps to RPI)	**(3.0)**	(5.8)	(12.0)
Other loan interest	**(17.0)**	(14.6)	(35.3)
Other interest payable and finance costs	**(5.7)**	(5.6)	(10.4)
Capitalisation of borrowing costs under IAS 23	**9.8**	8.7	18.8
Financial expenses before fair value gains/(losses) on derivative financial instruments	**(123.1)**	(95.7)	(231.1)
Settlements accruing on derivative financial instruments	**19.2**	21.0	39.7
Profit on termination of derivative financial instruments	**-**	-	16.5
Fair value (losses)/gains on interest rate swaps	**(28.9)**	12.0	6.8
Fair value (losses)/gains on trading derivatives	**(2.7)**	(0.4)	1.5
Fair value (losses)/gains on derivative financial instrument	**(12.4)**	32.6	64.5
Net finance costs	**(117.0)**	(52.8)	(137.5)

Derivative financial instruments are held for economic hedging purposes although they do not qualify as accounting hedges. Consequently, the Group's interest rate and index-linked swaps are fair valued at each balance sheet date with the net loss or gain disclosed in the income statement. Over the life of these swaps, if held to maturity, these fair value adjustments will reverse and reduce to zero. As at 30 September 2025 the notional value of the interest rate swap was £192 million (March 2025: £192 million) and the notional value of the index-linked swaps was £1,718 million (March 2025: £1,670 million).

Notes to the condensed consolidated interim financial statements

5. Taxation

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Current tax			
Adjustment in respect of prior periods	-	-	0.5
Total current tax	-	-	0.5
Deferred tax			
Current year movement	**6.2**	**12.2**	34.4
Adjustment in respect of prior periods	**-**	**-**	-
Total deferred tax	**6.2**	**12.2**	34.4
Taxation credit	**6.2**	**12.2**	34.9

Analysis of amounts charged to the Statement of Comprehensive Income and Revaluation Reserve	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Defined benefit pension scheme	**(0.5)**	(3.1)	(6.5)
(Charged) to the statement of comprehensive income	**(0.5)**	(3.1)	(6.5)
Revaluation of fixed assets	**(56.2)**	(5.0)	14.6
(Charged)/credited to the revaluation reserve	**(56.2)**	(5.0)	14.6

Tax reconciliation	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
(Loss) before taxation	**(28.9)**	(54.0)	(146.0)
(Loss) before taxation multiplied by the corporation tax in the UK of 25%	**7.2**	13.5	36.6
Effects of:			
Adjustments in respect of prior years	**-**	-	0.5
Other permanent differences	**(1.0)**	(1.3)	(2.0)
Expenses not deductible for tax purposes	**-**	-	(0.2)
Tax credit	**6.2**	12.2	34.9

The Group does not expect to pay corporation tax for the current year due to accounting losses and the availability of capital allowances on its investment programme.

Deferred taxes have been calculated at 25%.

Pillar Two legislation, reflecting the OECD's Base Erosion Profit Shifting framework is effective for periods beginning 1 January 2024. The Group has applied the mandatory temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules. As the Group meets the requirements of the 'routine profits test' under the UK's transitional safe harbour, the rules do not impact the Group's tax charge for the current period.

Notes to the condensed consolidated interim financial statements

6. Revaluation reserve

	Six months ended 30 September 2025 (unaudited) £m	Six months ended 30 September 2024 (unaudited) £m	Year ended 31 March 2025 (audited) £m
Revaluation reserve at start of period	**1,546.9**	1,696.2	1,696.2
Revaluation of assets to RCV	**224.7**	20.1	(58.5)
Depreciation charge on revalued assets	**(68.8)**	(70.1)	(140.6)
	155.9	(50.0)	(199.1)
Deferred tax on revaluation	**(56.2)**	(5.0)	14.6
Deferred tax on depreciation charge	**17.2**	17.5	35.2
	(39.0)	12.5	49.8
Revaluation reserve at end of period	**1,663.8**	1,658.7	1,546.9

7. Property, plant and equipment

	Freehold land and buildings £m	Infrastructure assets £m	Operational structures £m	Plant, equipment, computer hardware £m	Total £m
Valuation					
At 1 April 2025	78.0	4,003.5	5,689.2	293.1	10,063.8
Additions	4.4	142.2	142.2	1.0	289.8
Disposal	-	-	-	(0.5)	(0.5)
At 30 September 2025	**82.4**	**4,145.7**	**5,831.4**	**293.6**	**10,353.1**
Accumulated depreciation					
At 1 April 2025	24.3	103.9	2,125.5	270.8	2,524.5
Revaluation	-	(115.0.)	(109.7)	-	(224.7)
Charge for the period	0.7	40.2	142.7	2.9	186.5
Released on disposal	-	-	-	(0.5)	(0.5)
At 30 September 2025	**25.0**	**29.1**	**2,158.5**	**273.2**	**2,485.8**
Net book value					
At 30 September 2025 (unaudited)	**57.4**	**4,116.6**	**3,672.9**	**20.4**	**7,867.3**
At 31 March 2025 (audited)	53.7	3,899.6	3,563.7	22.3	7,539.3
At 30 September 2025 (unaudited) - historic cost basis	***57.4***	***2,870.7***	***2,692.7***	***20.5***	***5,641.3***

The net book value of fixed assets includes £134.0 million (March 2025: £126.7 million) of capitalised interest.

Notes to the condensed consolidated interim financial statements

8. Trade and other receivables

	30 September 2025 (unaudited) £m	30 September 2024 (unaudited) £m	31 March 2025 (audited) £m
Current			
Trade receivables	**410.8**	367.8	637.4
Less provision for impairment of receivables	**(94.2)**	(87.0)	(87.0)
Trade receivables – net	**316.6**	280.8	550.4
Prepayments	**22.4**	16.5	12.4
Accrued income	**174.0**	132.7	122.4
Other receivables	**12.4**	33.5	25.9
	525.4	463.5	711.1
Non-current			
Other receivables	**2.2**	0.6	0.6
	2.2	0.6	0.6
Total trade and other receivables	**527.6**	464.1	711.7

9. Trade and other payables

	30 September 2025 (unaudited) £m	30 September 2024 (unaudited) £m	31 March 2025 (audited) £m
Current			
Trade payables	**35.4**	41.4	64.7
Capital payables	**21.5**	55.8	26.9
Other taxation and social security	**4.7**	6.6	4.3
Accruals	**146.3**	128.9	150.9
Deferred income	**237.6**	191.4	485.6
	445.5	424.1	732.4
Non-current			
Accruals	**23.2**	25.4	14.9
Deferred income	**935.4**	774.7	871.2
	958.6	800.1	886.1
Total trade and other payables	**1,404.1**	1,224.2	1,618.5

10. Analysis and reconciliation of net debt

Net debt is defined as the value of cash and cash equivalents less net accrued interest and total borrowings.

a) Net debt at the balance sheet date may be analysed as:	30 September 2025 (unaudited) £m	30 September 2024 (unaudited) £m	31 March 2025 (audited) £m
Cash and cash equivalents	**959.1**	711.9	638.4
Debt due after one year	**(4,760.9)**	(4,572.3)	(4,303.0)
Debt due within one year	**(552.8)**	(90.7)	(582.1)
Lease liabilities	**(126.3)**	(176.3)	(126.3)
Accrued interest	**(39.2)**	(53.0)	(11.8)
	(5,479.2)	(4,892.3)	(5,023.2)
Net debt	**(4,520.1)**	(4,180.4)	(4,384.8)

b) The movement in net debt during the period may be summarised as:	30 September 2025 (unaudited) £m	30 September 2024 (unaudited) £m	31 March 2025 (audited) £m
Net debt at start of period	**(4,384.8)**	**(4,079.3)**	**(4,079.3)**
Movement in cash	**320.7**	**544.8**	471.3
Movement in debt arising from cash flows	**(397.0)**	**(590.2)**	(718.9)
Movement in net debt arising from cash flows	**(76.3)**	**(45.4)**	(247.6)
Movement in accrued interest	**(27.4)**	**(30.4)**	10.8
Indexation of index-linked debt	**(30.9)**	**(24.8)**	(68.7)
Other non-cash movements	**(0.7)**	**(0.5)**	-
Movement in net debt during the period	**(135.3)**	**(101.1)**	(305.5)
Net debt at end of period	**(4,520.1)**	**(4,180.4)**	(4,384.8)

11. Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2025. There have been no changes in the risk management department or in any risk management policies since the year end.

In accordance with IFRS 13 Fair Value Measurement trading and treasury derivatives of the Group are categorised into different levels:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability not based on observable market data.

11. Financial risk management and financial instruments (continued)

All of the Group's treasury derivatives are categorised at Level 2. In accordance with IFRS 13 an adjustment factor has been applied to the swaps based on industry standard practice to take into account credit risk by estimating future cash flows based on applicable interest rate curves. Projected cash flows are then discounted back using discount factors, which are derived from the applicable interest rate curves adjusted for management's estimate of counterparty and own credit risk and market risk, where appropriate.

Trading derivatives relating to power price hedges are categorised as Level 2 where marked-to-market valuations are received for these trades. Where marked-to-market valuations are not received the fair values are estimated rather than observable and are therefore categorised as Level 3.

As at 30 September 2025, the fair values of derivatives were as follows:

Level 2
- assets: trading derivatives £0.7 million (March 2025: £3.3 million)
- liabilities: trading derivatives £0.8 million, treasury derivatives £357.6 million (March 2025: trading derivatives £0.7 million, treasury derivatives £648.8 million).

Trading derivatives relate to power hedges. Treasury derivatives relate to interest rate swap contracts. All derivatives are recorded on the balance sheet at fair value. Level 2 debt instruments are valued using a discounted cash flow approach, which discount the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

12. Contingent liabilities

Contingent liabilities represent potential future cash outflows which are either possible but not probable or probable but cannot be measured with sufficient reliability.

On 16 July 2024 Ofwat announced an enforcement case against a Group company, Dŵr Cymru Cyfyngedig (DCC), as part of its ongoing investigation into how water companies are managing their wastewater treatment works and networks and if there had been a contravention of those companies' statutory duties and their Conditions of Appointment. DCC has responded to Ofwat's information requests. If Ofwat concludes that DCC has breached its statutory duties and Conditions of Appointment, DCC may suffer financial losses, owing to any penalty imposed by Ofwat or being subject to other capital commitments. Under the terms of the Water Industry Act 1991, financial penalties of up to 10% of the applicable annual turnover of the relevant regulated activities could be imposed (sewerage turnover of c. £500 million), that is £50 million maximum exposure. At this stage, if Ofwat concludes that DCC has breached its statutory duties and Conditions of Appointment it is not deemed probable that formal action will result in any financial outflow with the mechanism for resolution of this enforcement case investigation, based on the mechanism by which a number of other Water and Sewerage Companies have resolved their own cases (agreement of enforcement undertakings) and historic experience, resulting in future capital commitments which does not meet the criteria for a provision under IAS 37 on the basis it does not represent a financial outflow.

The Environment Agency is conducting its own separate investigations into sewerage treatment works compliance across all water companies, including DCC, which are still ongoing. DCC is co-operating fully with requests for information as they are received.

River pollution claims
On 8 October 2025 DCC has received claims on behalf of 693 claimants relating to allegations concerning its activities causing pollution in the rivers Wye, Lugg and Usk, and their tributaries. Solicitors acting for the claimants state that there are more than 4,000 claimants with further claims to be issued periodically. A court order for the coordinated management of the claims is likely. Avara Foods Limited and Freemans of Newent Limited are also named as defendants. DCC denies liability and plans to defend the case robustly. It is not deemed probable that future outflows are likely and therefore no provision has been recognised.

DCC is subject to other ongoing investigations (pollution, water quality and compliance) by environmental regulators which could result in a financial outflow, however the likelihood of financial outflow is not deemed probable at this stage, and any potential exposure cannot be reliably estimated.

Independent review report to Glas Cymru Holdings Cyfyngedig for the six month period ended 30 September 2025

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2025 which comprises the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 12.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30th September 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group'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.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Independent review report to Glas Cymru Holdings Cyfyngedig for the six month period ended 30 September 2025 (continued)

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Cardiff
18 November 2025