HALF YEAR REPORT

for the six months ended 30 September 2026

Summary

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000
Revenue	**144,359**	133,953
Profit/(loss) before tax	**16**	(934)
Underlying EBITDA (see note below)	**2,571**	1,707
Underlying profit/(loss) before tax (see note below)	**56**	(806)
	Pence	**Pence**
Underlying basic earnings/(deficit) per share	**1.5**	(22.2)
Basic earnings/(deficit) per share	**0.4**	(25.8)
Interim dividend per Ordinary share	**5.0**	5.0

Financial and operational review

- Underlying profit before tax of £0.06 million (2025: loss of £0.81 million)
- Profit before tax of £0.02 million (2025: loss of £0.93 million)
- Revenue increase of 7.8% (2025: reduction of 2.7%)
- Underlying earnings per share of 1.5 pence (2025: deficit of 22.2 pence)
- Basic earnings per share of 0.4 pence (2025: deficit of 25.8 pence)
- Interim ordinary dividend declared of 5.0 pence (2025: 5.0 pence)
- Net bank borrowings at 30 September 2026 of £11.9 million (2025: £9.6 million)

Simon Caffyn, Chief Executive, commented:

"I am delighted that we have returned to profit and that the pension scheme at the half-year moved into a surplus position."

Enquiries:

Caffyns plc	Simon Caffyn, Chief Executive Joelle Timperley, Chief Financial Officer	Tel: 01323 730201

Note: Underlying results exclude items that are unrelated to the primary motor trade business of the Company, and which management therefore consider should be disclosed separately to enable a full understanding of the operating results. Non-underlying items comprise only profits and losses from disposal of freehold property, gains arising from lease extensions from freehold property, impairment charges against non-current assets, costs attributable to vacant properties held pending their disposal, net financing return and service cost on pension obligations in respect of the defined benefit pension scheme, which is closed to future accrual, and companywide operational restructuring and redundancy costs. All other activities are treated as underlying. Non-underlying items for the period totalled £0.04 million (2025: £0.13 million) and are detailed in Note 4 to these condensed consolidated financial statements. Underlying EBITDA of £2.57 million (2025: £1.71 million) represents Operating profit before non-underlying items of £1.54 million (2025: £0.64 million) and Depreciation and Amortisation of £1.03 million (2025: £1.07 million).

INTERIM MANAGEMENT REPORT

Summary

Underlying results before tax in the half year ended 30 September 2026 ("the period") rose into a profit position of £0.06 million, compared to a £0.81 million loss reported last year, as a result of the effective execution of our strategy and strong control over costs.

Revenue for the period grew by 7.8% to £144.4 million (2025: £134.0 million) due to increased demand from customers for new and used cars and our aftersales offerings, resulting in a significantly improved financial performance.

Overall, total gross margins increased from the previous period by £1.5 million, or 9.2%, due to stronger controls over vehicle stock procurement and disposal of aging stock together with strong growth in aftersales revenue.

The Company owns all but two of the freeholds of the properties from which it operates. This continues to provide the dual strengths of a strong asset base and minimal exposure to rent reviews.

The Company's defined-benefit pension obligation, calculated in accordance with the requirements of IAS 19 Pensions, showed a surplus of £0.3 million at 30 September 2026 compared to a deficit of £1.4 million at 31 March 2026. The improvement in the funding position of £1.7 million arose from an increase in the interest rate used to discount the Scheme's future pension obligations, the performance of the scheme's investments and deficit-reduction contributions made by the Company.

The profit before tax for the period was £16,000 (2025: loss of £934,000) with basic earnings per share of 0.4 pence (2025: deficit of 25.8 pence). The underlying earnings per share was 1.5 pence (2025: deficit of 22.2 pence).

The Company has declared an interim dividend of 5.0 pence per Ordinary share, reflecting the board's confidence in the longer-term prospects for the Company.

Operating review

New and used cars

Our retail new car deliveries increased by 7.6% from the prior year period. Nationally, the Society of Motor Manufacturers and Traders reported a 12.7% increase in total new car registrations, with retail increasing at a greater rate than the fleet market. A disproportionate level of growth in the UK market was driven by new brands, including Chinese brands, which until recently we have not represented. Of our brands, Chery, MG and Skoda managed to exceed the general market growth.

Our used car sales volumes also improved, by 9.0%, from the prior year period. Customer demand remained buoyant, and, despite the ongoing limited availability of appropriately priced used cars, this increased volume has helped to offset reduced margins in a competitive market.

Aftersales

Our aftersales revenues have risen by 13.4% in the period despite the recruitment of vehicle technicians remaining challenging and adversely affecting throughput levels. We continued to introduce improvements to our customer retention and service booking processes, leading to improved service levels and efficiencies.

Operations

Our franchise businesses have experienced a very difficult period as many of the manufacturers we represent have been adversely impacted by relatively new entrants to the UK market. Our Audi businesses fared the best, improving their financial performance in comparison with the prior period. In August we began representation of another Chinese brand, Chery, and early trading has been positive. We have decided that our Vauxhall representation for car sales in Ashford will cease from 31 December 2026, with Chery then occupying the vacant showroom. We will be continuing with aftersales for Vauxhall.

We continue to take actions to increase our supply of used cars and to improve used car margins. We use market-driven data to secure better quality used cars with higher expected margins and faster selling times. Semi-automated systems speed up this process and improve the efficiency of the procurement of used cars enabling us to target a better sales performance. A number of operational changes have been made, with additional changes planned for the coming months, with the expectation of further improving performance.

Groupwide projects

We remain focused on generating further improvements in the levels of used car sales, used car finance income and service labour sales whilst continuing to identify efficiencies in the business. These three areas will be key to achieving increases in profitability in the coming years. In addition, we continue to make very good progress utilising technology to enhance customers' experience throughout their buying journey, as well as improving our aftersales retention.

Zero-emission vehicle ("ZEV") targets

With effect from 1 January 2024, the Government announced that vehicle manufacturers would be required to meet annual minimum registration targets for ZEV cars, with the target for the 2026 calendar year increasing to 33% and 38% for 2027. Failure to achieve the set target could result in potential financial penalties being levied on the manufacturer, although manufacturers were provided with potential relief against penalties by being able to carry forward shortfalls into future years. The Government is reviewing future targets with a possible reduction to the 80% target for 2030.

Property

Capital expenditure in the period was £0.2 million (2025: £0.7 million).

We operate primarily from freehold sites. Annually, we obtain an independent assessment of the values of our freehold properties against their carrying value in our accounts and had an unrecognised surplus to carrying value of £10.7 million at 31 March 2026, our last financial year-end. The board does not consider there to have been any material movement in the value of the Company's freehold properties since the year-end.

Pensions

The Company's defined-benefit pension scheme started the period with a net deficit of £1.42 million. The board has little control over the key assumptions in the valuation calculations as required by accounting standards and movements in yields of gilts and bonds can have a significant impact on the net funding position of the scheme. The actuary's estimate of the deficit reduced in the period by £1.76 million (2025: £1.72 million) to a surplus of £0.34 million at 30 September 2026 (2025: £2.81 million deficit).

The improvement in the funding position arose from an increase in the interest rate used to discount the Scheme's future pension obligations, the performance of the scheme's investments and deficit-reduction contributions made by the Company.

As the Scheme was in deficit at the last triennial valuation the Company has in place a recovery plan, agreed with the Scheme's trustees, which was last updated in June 2024. During the period, the Company made cash payments into the Scheme of £0.7 million (2025: £0.6 million), which included £0.3 million of an additional £0.5 million contribution to be made in the current financial year. Further details are disclosed in Note 12 to these condensed consolidated financial statements.

Bank and other funding facilities
The Company has banking facilities with HSBC, which comprise a term loan of £4.5 million, originally of £7.5 million, and a revolving-credit facility of £6.0 million, both of which become renewable in April 2028. HSBC also provides an overdraft facility of £3.5 million, renewable annually. In addition, there is an overdraft facility of £4.0 million provided by Volkswagen Bank, renewable annually. The Company also has a loan, originally of £0.4 million, from a manufacturer under their dealership development assistance programme. The loan is repayable over a five-year period to 2028.

The Company's loans with HSBC are covered by covenant tests, each being tested quarterly. These tests were passed at each quarter-end up to and including 30 September. Financial modelling for the coming twelve-month period has allowed the directors to conclude that there is satisfactory headroom in the Company's banking covenants. Further information is provided in Note 2 to these consolidated interim financial statements.

The Company absorbed cash during the period with an outflow of funds from operating activities of £4.1 million (2025: £0.1 million). Working capital levels increased significantly in the period as the timing of certain cash movements around the previous year-end reversed. Other than from operating activities, the primary cash outflows in the period were from capital expenditure, repayment of bank borrowings, lease payments and dividends. The Company made no changes to its borrowing facilities during the period.

Bank borrowings, net of cash balances, at 30 September 2026 were £11.9 million (2025: £9.6 million).

The Company also maintains inventory funding facilities, primarily from the manufacturers it represents, to facilitate the purchasing of used cars. At 30 September 2026 outstanding inventory loans were £8.7 million (2025: £8.8 million).

Taxation
The tax charge for the period has been based on an estimation of the effective tax rate on profits for the full financial year of 25% (2025: 25%). The current year effective tax rate is in line with the standard rate of corporation tax in force for the year of 25%.

At 30 September 2026, the company recognised a deferred tax liability on the Statement of Financial Position of £0.12 million (2025: £0.15 million asset).

People
The response from everyone in the Company to marketplace challenges and inflationary pressures is commendable, and on behalf of the board I would like to express our gratitude to them for their hard work and professional application. The efforts of our operational and support teams to continue improving our efficiency will be instrumental in our ability to maximise our opportunities in the second half of the year.

Dividend
The board remains confident in the longer-term prospects of the Company and, therefore, has declared an interim dividend of 5.0 pence per Ordinary share (2025: 5.0 pence per Ordinary share). This will be paid on 8 January 2027 to shareholders on the register at close of business on 11 December 2026. The Ordinary shares will be marked ex-dividend on 10 December 2026.

Strategy
Our continuing strategy is to focus on representing premium and premium volume franchises as well as maximising opportunities for quality used cars and exceptional aftersales service, with an emphasis on delivering the highest quality of customer experience. We operate in a rapidly changing environment and carefully monitor the appropriateness of this strategy while also seeking new opportunities to invest in the future growth of the business. Our most recent move to represent the Chinese brand, Chery, has been successful.

We are focusing on delivering performance improvement, across our new and used cars and our aftersales operations whilst continuing to identify opportunities to be more efficient.

Current trading and outlook

Our forward-order book for new cars is at satisfactory levels although concerns remain over the general economic background.

Our balance sheet is appropriately funded and our freehold property portfolio is a source of great stability. We continue to enhance our online presence, as well as improving our productivity and increasing the resilience of the business. It is encouraging to see that the franchises we represent are bringing new electric vehicles to market at competitive entry level prices whilst maintaining build quality. We remain confident in the longer-term prospects for the Company and are ready to explore future business opportunities as they arise.

Simon G M Caffyn
Chief Executive

26 November 2026

Condensed Consolidated Statement of Financial Performance

for the half year ended 30 September 2026

	Note	**Unaudited Half year to 30 September 2026 Total £'000**	Unaudited Half year to 30 September 2025 Total £'000	Audited Year ended 31 March 2026 Total £'000
Revenue		**144,359**	133,953	270,661
Cost of sales		**(126,148)**	(117,280)	(236,899)
Gross profit		**18,211**	16,673	33,762
Operating expenses		**(16,827)**	(16,332)	(32,877)
Operating profit before other income		**1,384**	341	885
Other income (net)	3	**144**	289	578
Operating profit		**1,528**	630	1,463
Operating profit before non-underlying items		**1,536**	638	1,478
Non-underlying items within operating profit	4	**(8)**	(8)	(15)
Operating profit		**1,528**	630	1,463
Net finance expense	5	**(1,480)**	(1,444)	(2,965)
Non-underlying net finance expense on pension scheme	4	**(32)**	(120)	(219)
Net finance expense		**(1,512)**	(1,564)	(3,184)
Profit/(loss) before taxation		**16**	(934)	(1,721)
Profit/(loss) before tax and non-underlying items		**56**	(806)	(1,487)
Non-underlying items within operating profit	4	**(8)**	(8)	(15)
Non-underlying net finance expense on pension scheme	4	**(32)**	(120)	(219)
Profit/(loss) before taxation		**16**	(934)	(1,721)
Taxation	6	**(4)**	232	435
Profit/(loss) for the period		**12**	(702)	(1,286)
Surplus/(deficit) per share				
Basic	7	**0.4p**	(25.8)p	(47.2)p
Non-GAAP measure				
Underlying basic surplus/(deficit) per share	7	**1.5p**	(22.2)p	(40.7)p

Condensed Consolidated Statement of Comprehensive Expense

for the half year ended 30 September 2026

	Note	**Unaudited Half year to 30 September 2026 £'000**	Unaudited Half year to 30 September 2025 £'000	Audited Year to 31 March 2026 £'000
Profit/(loss) for the period		**12**	(702)	(1,286)
Items that will never be reclassified to profit and loss:				
Remeasurement of net pension scheme obligation		**1,083**	1,235	2,015
Deferred tax on remeasurement of pension scheme obligation		**(271)**	(309)	(504)
Other comprehensive income, net of tax		**812**	926	1,511
Total comprehensive income for the period		**824**	224	225

Condensed Consolidated Statement of Financial Position

at 30 September 2026

	Note	**Unaudited 30 September 2026 £'000**	Unaudited 30 September 2025 £'000	Audited 31 March 2026 £'000
Non-current assets				
Right-of-use assets	9	**1,637**	2,010	1,820
Property, plant and equipment	9	**36,587**	37,882	37,183
Investment properties	10	**2,429**	2,485	2,457
Goodwill		**286**	286	286
Pension scheme surplus	12	**340**	-	-
Deferred tax asset		**-**	147	155
Total non-current assets		**41,279**	42,810	41,901
Current assets				
Inventories		**48,942**	42,653	52,362
Trade and other receivables		**10,445**	8,231	9,961
Cash and cash equivalents		**324**	2,444	4,605
Total current assets		**59,711**	53,328	66,928
Total assets		**100,990**	96,138	108,829
Current liabilities				
Interest-bearing overdrafts, loans and borrowings	11	**2,031**	1,445	1,445
Trade and other payables		**55,484**	48,297	62,901
Lease liabilities	11	**353**	343	328
Total current liabilities		**57,868**	50,085	64,674
Net current assets		**1,843**	3,243	2,254
Non-current liabilities				
Interest-bearing loans and borrowings	11	**10,195**	10,640	10,418
Lease liabilities	11	**1,434**	1,786	1,630
Deferred tax liability		**120**	-	-
Preference shares	11	**812**	812	812
Pension scheme obligation	12	**-**	2,806	1,422
Total non-current liabilities		**12,561**	16,044	14,282
Total liabilities		**70,429**	66,129	78,956
Net assets		**30,561**	30,009	29,873
Shareholders' equity				
Ordinary share capital		**1,439**	1,439	1,439
Share premium		**272**	272	272
Capital redemption reserve		**707**	707	707
Non-distributable reserve		**1,531**	1,531	1,531
Retained earnings		**26,612**	26,060	25,924
Total equity		**30,561**	30,009	29,873

Condensed Consolidated Statement of Changes in Equity

for the half year ended 30 September 2026 (unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2026	1,439	272	707	1,531	25,924	29,873
Total comprehensive income						
Profit for the period	-	-	-	-	12	12
Other comprehensive income	-	-	-	-	812	812
Total comprehensive income for the period	-	-	-	-	824	824
Transactions with owners:						
Dividends	-	-	-	-	(136)	(136)
At 30 September 2026 (unaudited)	**1,439**	**272**	**707**	**1,531**	**26,612**	**30,561**

for the half year ended 30 September 2025 (unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2025	1,439	272	707	1,531	25,972	29,921
Total comprehensive income						
Loss for the period	-	-	-	-	(702)	(702)
Other comprehensive income	-	-	-	-	926	926
Total comprehensive income for the period	-	-	-	-	224	224
Transactions with owners:						
Dividends	-	-	-	-	(136)	(136)
At 30 September 2025 (unaudited)	**1,439**	**272**	**707**	**1,531**	**26,060**	**30,009**

for the year ended 31 March 2026 (audited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2025	1,439	272	707	1,531	25,972	29,921
Total comprehensive expense						
Loss for the year	-	-	-	-	(1,286)	(1,286)
Other comprehensive income	-	-	-	-	1,511	1,511
Total comprehensive income for the year	-	-	-	-	225	225
Transactions with owners:						
Dividends	-	-	-	-	(273)	(273)
At 31 March 2026 (audited)	**1,439**	**272**	**707**	**1,531**	**25,924**	**29,873**

Condensed Consolidated Cash Flow Statement

for the half year ended 30 September 2026

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited Year to 31 March 2026 £'000
Cash flows from operating activities			
Profit/(loss) before taxation	**16**	(934)	(1,721)
Adjustments for:			
Net finance expense and pension scheme service cost	**1,512**	1,564	3,184
Depreciation of property, plant and equipment, investment properties and right-of-use assets	**1,035**	1,068	2,129
Cash payments into the defined-benefit pension scheme	**(719)**	(610)	(1,320)
Loss/(profit) on disposal of property, plant and equipment	**-**	3	(151)
Decrease/(increase) in inventories	**3,420**	1,772	(7,938)
(Increase)/decrease in receivables	**(485)**	1,882	154
(Decrease)/increase in payables	**(7,408)**	(3,477)	11,133
Cash generated from operations	**(2,629)**	1,268	5,470
Net tax recovered	**-**	39	39
Interest paid	**(1,423)**	(1,376)	(2,977)
Net cash (absorbed by)/generated from operating activities	**(4,052)**	(69)	2,532
Investing activities			
Proceeds generated on disposal of property, plant and equipment	**-**	-	183
Purchases of property, plant and equipment	**(228)**	(655)	(827)
Receipt from investment in lease	**-**	77	77
Net cash used in investing activities	**(228)**	(578)	(567)
Financing activities			
Unsecured revolving credit facility utilised	**1,000**	4,000	4,000
Unsecured revolving credit facility repaid	**(1,000)**	(4,000)	(4,000)
Secured loans repaid	**(188)**	(188)	(375)
Unsecured loans repaid	**(35)**	(35)	(70)
Dividends paid	**(136)**	(136)	(273)
Repayment of capital element of lease liabilities	**(228)**	(312)	(404)
Net cash used in financing activities	**(587)**	(671)	(1,122)
Net (decrease)/increase in cash and cash equivalents	**(4,867)**	(1,318)	843
Cash and cash equivalents at beginning of period	**4,605**	3,762	3,762
(Bank overdraft)/cash and cash equivalents at end of period	**(262)**	2,444	4,605

	£'000	**£'000**	**£'000**
Cash and cash equivalents	324	2,444	4,605
Current account bank overdrafts	(586)	-	-
(Bank overdraft)/cash and cash equivalents at end of period	**(262)**	**2,444**	**4,605**

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 September 2026

1. GENERAL INFORMATION

Caffyns plc is a company domiciled in the United Kingdom. The address of the registered office is Meads Road, Eastbourne, East Sussex BN20 7DR.

These condensed consolidated financial statements for the half year to 30 September 2026 and similarly for the half year to 30 September 2025 are unaudited. They do not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 March 2026.

The comparative financial information for the year ended 31 March 2026 in these condensed consolidated financial statements does not constitute statutory accounts for that year. The statutory accounts for 31 March 2026 have been delivered to the Registrar of Companies. The Auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

These condensed consolidated financial statements have been reviewed by the Company's Auditor and a copy of their review report is set out at the end of these statements.

These consolidated interim financial statements were approved by the directors on 26 November 2026.

2. ACCOUNTING POLICIES

The annual financial statements of Caffyns plc are prepared in accordance with UK-adopted International Accounting Standards. The set of condensed consolidated financial statements included in this half-yearly financial report has been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting'. As required by the disclosure guidance and transparency rules of the Financial Conduct Authority, this set of condensed consolidated financial statements has been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2026.

Segmental reporting

Based upon the management information reported to the Group's chief operating decision maker, the Chief Executive, in the opinion of the directors, the Group only has one reportable segment. There are no major customers amounting to 10% or more of the Group's revenue. All revenue and non-current assets derive from, or are based in, the United Kingdom.

Basis of preparation: Going concern

These condensed consolidated financial statements have been prepared on a going concern basis, which the directors consider appropriate for the reasons set out below.

The directors have considered the going concern basis and have undertaken a detailed review of trading and cash flow forecasts for a period of one year from the date of approval of these condensed consolidated financial statements. This has focused primarily on the achievement of the banking covenants associated with the term loan and revolving credit facilities provided by HSBC, which cover levels of interest, borrowing and freehold property security. For the year ending 31 March 2027 HSBC agreed to implement a replacement new earnings covenant test that requires the Company to achieve certain minimum cumulative quarterly Senior EBITDA hurdles. These minimum cumulative quarterly Senior EBITDA hurdles were achieved at 30 June and 30 September 2026, and the directors are satisfied the business will achieve the hurdles at 31 December 2026 and 31 March 2027.

The reapplication of the Company's interest cover covenant test has been advanced from 30 June 2027 to 31 March 2027 but the minimum covenant multiple of underlying profits before Senior Interest (that being paid to HSBC and VW Bank on its term loan and revolving credit facility borrowings), corporation tax, depreciation and amortisation ("Senior EBITDA") to the level of Senior Interest for a rolling twelve-month period has been reduced from at least three times to one and a half times.

The Company has also agreed to maintain a minimum headroom of £2.0 million against its available facilities until further notice.

HSBC has agreed that the Company's other covenant test covering borrowings, where borrowings from HSBC and VW Bank on its term loan and revolving credit facilities must be less than 400% of its Senior EBITDA, will remain suspended until at least 31 December 2027.

The Company's final covenant test over its levels of freehold property security requires that the level of its bank borrowings at each quarter-end do not exceed 70% of the independently assessed value of its charged freehold properties. This covenant test will remain in force in the year ending 31 March 2027, and beyond.

Financial modelling for the coming twelve-month period has allowed the directors to conclude that there is satisfactory headroom in the Company's banking covenants.

The Group is reliant on the HSBC borrowing facility of £14.0 million. Any failure of a covenant test would render the borrowing facilities from HSBC to become repayable on demand, at the option of the lender, and would put the going concern assessment at risk.

The directors have also given consideration to the current uncertainties in the state of the UK economy, as well as to cost pressures that have impacted businesses such as increases to staffing costs from recent rises in the National Minimum and National Living Wages, from higher energy costs, from business rates and from increases to funding costs from continuing high interest base rates.

The directors have also considered the Company's working capital requirements. The Company meets its day-to-day working capital requirements through short-term stocking loans, bank overdrafts and a revolving-credit facility, as well as medium-term revolving credit facilities and term loans. At the half-year, the medium-term banking facilities included a term loan with an outstanding balance of £4.5 million (31 March 2026: £4.7 million) and a revolving credit facility of £6.0 million (31 March 2026: £6.0 million) from HSBC, its primary bankers, with both facilities next scheduled for renewal in April 2028. HSBC also make available a short-term overdraft facility of £3.5 million (31 March 2026: £3.5 million), which is renewed annually each August. The Company also has a short-term revolving-credit facility from Volkswagen Bank of £4.0 million (31 March 2026: £4.0 million), which is renewed annually each October. The Company maintains strong relationships with HSBC and Volkswagen Bank who recognise the current difficulties being experienced by the motor retail sector and remain very supportive. Based on discussions to date regarding the renewal of the facilities the directors are of the opinion that there is a reasonable expectation that all facilities will be renewed at their scheduled expiry dates.

At 30 September 2026, the Company held cash in hand balances of £0.3 million and had undrawn borrowing facilities of £5.9 million, all of which would be immediately available.

The directors have a reasonable expectation that the Company has adequate resources and headroom against the covenant tests to be able to continue in operational existence for the foreseeable future and for a period of one year from the date of approval of these condensed consolidated financial statements. For those reasons, they have concluded that there is no material uncertainty and they continue to adopt the going concern basis in preparing these condensed consolidated financial statements.

Non-underlying items

Non-underlying items comprise only profits and losses from disposal of freehold property, gains arising from lease extensions from freehold property, impairment charges against non-current assets, costs attributable to vacant properties held pending their disposal, net financing return and service cost on pension obligations in respect of the defined benefit pension scheme, which is closed to future accrual, and companywide operational restructuring and redundancy costs.

All other activities are treated as underlying.

3. OTHER INCOME (NET)

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Rent receivable	**144**	132	267
Gain on sale of personalised numberplate	**-**	160	160
(Loss)/gain on disposal of tangible fixed assets	**-**	(3)	151
Total other income	**144**	289	578

4. NON-UNDERLYING ITEMS

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Other income:			
Net on disposal of property, plant and equipment	**-**	-	-
Within operating expenses:			
Service cost on pension scheme	**(8)**	(8)	(15)
Total non-underlying items within operating profit	**(8)**	(8)	(15)
Net finance expense on pension scheme	**(32)**	(120)	(219)
Total non-underlying items within loss before taxation	**(40)**	(128)	(234)

5. NET FINANCE EXPENSE

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Interest in lease interest receivable	**-**	(12)	(12)
Interest receivable on cash deposits	**(11)**	(11)	-
Interest payable on bank overdrafts	**5**	12	3
Interest payable on bank borrowings	**382**	428	819
Interest payable on inventory stocking loans	**973**	879	1,874
Interest on lease liabilities	**57**	68	143
Financing costs amortised	**38**	44	66
Preference dividends	**36**	36	72
Finance expense	**1,480**	1,444	2,965

6. TAXATION

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Current UK corporation tax			
Charge for the period	**-**	-	-
Total current tax charge	**-**	-	-
Deferred tax			
Origination and reversal of timing differences	**(4)**	232	(343)
Adjustments recognised in the period for deferred tax of prior periods	**-**	-	(92)
Total deferred tax (charge)/credit	**(4)**	232	(435)
Total tax (charged)/credited in the Income Statement	**(4)**	232	(435)

The tax credit arose as follows:

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
On normal trading	**(14)**	200	(377)
Non-underlying items	**10**	32	(58)
Total tax credit	**(4)**	232	(435)

Taxation of trading items for the half year has been provided at an effective rate of taxation of 25% (2025: 25%) expected to apply to the full year.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the earnings attributable to Ordinary shareholders divided by the weighted average number of shares in issue during the period. Treasury shares are treated as cancelled for the purposes of this calculation.

Reconciliations of the earnings and the weighted average number of shares used in the calculations are set out below.

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Basic			
Profit/(loss) after tax for the period	**12**	(702)	(1,286)
Basic earnings/(deficit) per share	**0.4p**	(25.8)p	(47.2)p
Underlying			
Profit/(loss) before tax	**16**	(934)	(1,721)
Adjustment: Non-underlying items (note 4)	**40**	128	234
Underlying profit/(loss) for the period	**56**	(806)	(1,487)
Taxation on normal trading (note 6)	**(14)**	200	377
Underlying profit/(loss)	**40**	(606)	(1,110)
Underlying earnings/(deficit) per share	**1.5p**	(22.2)p	(40.7)p

The number of fully paid Ordinary shares in issue at the end of the period was 2,879,298 (2025: 2,879,298). Excluding the shares held for treasury, the weighted average shares in issue for the purposes of the earnings per share calculation were 2,726,811 (2025: 2,726,811).

The directors consider that underlying earnings per share figures provide a better measure of comparative performance.

8. DIVIDENDS

Ordinary shares of 50 pence each

An interim dividend of 5.0 pence per Ordinary share has been declared and will be paid to shareholders on 8 January 2027 to those shareholders on the register at the close of business on 11 December 2026. The Ordinary shares will be marked ex-dividend on 10 December 2026. An interim dividend of 5.0 pence per Ordinary share was declared in respect of the half-year ended 30 September 2025. A final dividend of 5.0 pence per Ordinary share was declared in respect of the year ended 31 March 2026.

Preference shares

Preference dividends were paid in October 2026. The next preference dividends are payable in April 2027. The cost of the preference dividends has been included within finance costs (see note 5).

9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The following is a reconciliation of changes in the balances of Property, plant and equipment and Right-of-Use assets.

Property, plant and equipment:

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Property, plant and equipment at 1 April	37,183	38,080	38,080
Less: Depreciation charges	(824)	(850)	(1,691)
Less: Net book value of disposals	**-**	**(3)**	(33)
Add: Purchases	228	655	827
Property plant and equipment at 30 September	**36,587**	37,882	37,183

Purchases in the period included assets in the course of construction of £Nil (2025: £43,000).

Right-of-use assets:

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Right-of-use assets at 1 April	1,820	2,200	2,200
Less: Amortisation of right-of-use assets	(183)	(190)	(380)
Add: Disposals	**-**	-	-
Right-of-use assets at 30 September	**1,637**	2,010	1,820

10. INVESTMENT PROPERTIES

The following is a reconciliation of changes in the balances of Investment properties.

Investment properties:

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited year to 31 March 2026 £'000
Investment properties at 1 April	2,457	2,513	2,513
Less: Depreciation charges	(28)	(28)	(56)
Investment properties at 30 September	**2,429**	2,485	2,457

11. LOANS AND BORROWINGS

	Bank overdrafts and other loans £'000	Revolving credit facilities £'000	Lease liabilities £'000	Preference shares £'000	**Liabilities arising from financing activities £'000**	Bank and cash balances £'000	**Net debt £'000**
At 1 April 2026 (audited)	4,863	7,000	1,958	812	**14,633**	(4,605)	**10,028**
Cash movement	363	-	(228)	-	**135**	4,281	**4,416**
Non-cash movement	-	-	57	-	**57**	-	**57**
At 30 September 2026 (unaudited)	**5,226**	**7,000**	**1,787**	**812**	**14,825**	**(324)**	**14,501**
Current liabilities/(assets)	1,031	1,000	353	-	**2,384**	(324)	**2,060**
Non-current liabilities	4,195	6,000	1,434	812	**12,441**	-	**12,441**
At 30 September 2026	**5,226**	**7,000**	**1,787**	**812**	**14,825**	**(324)**	**14,501**

The Company's stated net bank borrowings of £11.9 million (2025: £9.6 million) represent Bank and other loans and revolving credit facilities, less cash balances.

12. PENSIONS

The pension scheme surplus reflects a defined benefit obligation that has been updated to reflect its valuation as at 30 September 2026. This has been calculated by a qualified actuary using a consistent valuation method to that which was adopted in the audited financial statements for the year ended 31 March 2026 and in the period to 30 September 2025, and which complies with the accounting requirements of IAS 19 Pensions (revised).

The net funding position for defined benefit obligations improved from a deficit of £1,422,000 at 31 March 2026 to a surplus of £340,000 at 30 September 2026. The improvement in the funding position of £1,762,000 comprised the net charge to the Condensed Consolidated Statement of Financial Performance of £40,000, a net positive remeasurement adjustment credited to the Condensed Consolidated Statement of Comprehensive Income of £1,083,000 and employer contributions of £719,000.

Asset values decreased in the period by £1,594,000, with divestments to pay pension transfers and benefits in the period totaling £2,784,000. The net present value of pension liabilities fell by £3,356,000 due to pensions settled in the period and actuarial gains. The rate applied to discount the Scheme's liabilities increased to 6.45% from 6.00% used at 31 March 2026, and was also higher than the 5.70% applied at 30 September 2025.

Under a schedule of contributions agreed with the trustees, future ongoing payments have been agreed to increase by 2.25% per annum and the Company will make additional deficit-reduction contribution of £0.1 million in the year ending 2028. The next triennial valuation of the Scheme is in progress for 31 March 2026.

13. RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The board believes these risks and uncertainties to be consistent with those disclosed in our latest Annual Report, including the effect of changes to interest base rates on the UK economy and their impact on the Group's defined benefit pension scheme, liquidity and financing, the Group's dependency on its manufacturers and their stability and ability to supply new car product, used car prices and regulatory compliance.

14. CAPITAL COMMITMENTS

At 30 September 2026, the Company had capital commitments of £0.18 million (2025: £0.47 million).

15. CONTINGENT LIABILITY

Regulatory investigation into discretionary commission arrangements

In October 2024, the High Court ruled that lenders and credit brokers were liable to customers where the disclosure of commission was insufficient to obtain the customer's informed consent and that a fiduciary duty was held to exist between the credit broker (motor retailer) and the customer. The outcome of the case was unexpected and caused stakeholders considerable unease and concern around historic finance commission earnings and potential liabilities in the sector. As soon as was practicable after the ruling the Company moved to full disclosure to customers of any applicable finance commission and there has been no noticeable change in consumer behaviour. In July 2025, the Supreme Court heard an appeal against this High Court ruling and determined that motor dealers generally do not have a fiduciary duty to customers, meaning that they are not automatically liable for undisclosed commissions. The Supreme Court dismissed two of the three cases before it but upheld the High Court judgement in the third case, where it determined that the levels of undisclosed interest charged had made the contract unfair.

In March 2026 the Financial Conduct Authority ("FCA") announced the introduction of a large-scale redress scheme for customers who purchased cars using finance between April 2007 and November 2024. In July 2026 a temporary suspension of the redress scheme was put in place due to legal challenges. These challenges are currently expected to be heard in either December 2026 or February 2027. If the proposed redress scheme is upheld compensation payments to customers are expected to start at some point in 2027. If the Scheme is rejected, or requires modification, then the process will face further delays to 2028, or beyond. The cost of compensating customers is expected to fall solely on the lender and not on the contracting dealer.

As the implementation of the redress scheme is ongoing, the Company does not have sufficient certainty over the nature, timing or value of any potential financial impact from this redress scheme to be able to estimate the liability, if any, that may arise for the Company. As a result, no liability has been recognised at 30 September 2026 in respect of this investigation.

16. RESPONSIBILTY STATEMENT

We confirm that to the best of our knowledge:

a) these condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';

b) these condensed consolidated financial statements include a fair review of the information required by DTR 4.2.7R of the disclosure guidance and transparency rules (indication of important events during the first six months and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year); and

c) the Half Year Report includes a fair review of the information required by DTR 4.2.8R of the disclosure and guidance transparency rules (disclosure of related parties' transactions and changes therein).

By order of the board

S G M Caffyn
Chief Executive

J N Timperley
Chief Financial Officer

26 November 2026

INDEPENDENT REVIEW REPORT

to Caffyns plc

Conclusion

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 30 September 2026 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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 2026 which comprises the Condensed Consolidated Statement of Financial Performance, the Condensed Consolidated Statement of Comprehensive Expense, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condense Consolidated Cash Flow Statement, and the related notes to the Consolidated Unaudited Interim Financial Statements.

Basis for conclusion

Basis for conclusion We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, 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 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

Conclusions 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 (Revised), however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of 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 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.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report.

Our conclusion, including our Conclusions 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.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Kreston Reeves Audit LLP

Statutory Auditor
Canterbury, UK

26 November 2026

Kreston Reeves Audit LLP is a limited liability partnership registered in England and Wales
(With registration number: OC306454)