Caffyns plc

Interim Report for the six months ended 30 September 2025

Contents

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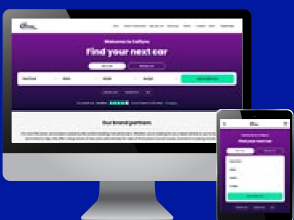

Results at a Glance

Summary

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000
Revenue	**133,953**	137,740
(Loss)/profit before tax	**(934)**	213
Underlying EBITDA (see note below)	**1,707**	3,004
Underlying (loss)/profit before tax (see note below)	**(806)**	452
	Pence	Pence
Underlying basic (deficit)/earnings per share	**(22.2)**	12.2
Basic (deficit)/earnings per share	**(25.8)**	5.7
Interim dividend per Ordinary share	**5.0**	5.0

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 £0.1 million (2024: £0.2 million) and are detailed in note 4 to these condensed consolidated financial statements. Underlying EBITDA of £1.7 million (2024: £3.0 million) represents Operating profit before non-underlying items of £0.6 million (2024: £1.9 million) and Depreciation and Amortisation of £1.1 million (2024: £1.1 million).

Financial and Operational Review

- Underlying loss before tax of £0.81 million (2024: profit of £0.45 million)
- Loss before tax of £0.93 million (2024: profit of £0.21 million)
- Revenue reduction of 2.7%
- Underlying basic deficit per share of 22.2 pence (2024: earnings of 12.2 pence)
- Basic deficit per share of 25.8 pence (2024: earnings of 5.7 pence)
- Interim ordinary dividend declared of 5.0 pence (2024: 5.0 pence)
- Net bank borrowings at 30 September 2025 of £9.6 million (2024: £11.5 million)

Simon Caffyn, Chief Executive, commented:

The motor retail market was particularly challenging in the half year to 30 September. We have responded by making a number of operational changes to improve performance.

Interim Management Report

Summary

The motor retail market was particularly challenging in the half year ended 30 September 2025 ("the period"). Underlying results before tax fell into a loss position of £0.8 million, which compared to a £0.5 million profit reported last year.

Revenue for the period fell by 3% to £134.0 million (2024: £137.7 million) due to reduced demand from customers for new cars, resulting in significantly weakened new car profits. Revenue and profit from used car sales and aftersales activities, however, both increased in the period, despite sourcing of used cars remaining challenging due to the continued scarcity of appropriately priced, one- to four-year-old cars.

Overall, total gross margins fell from the previous period by £0.6 million, or 3%. This margin reduction was then compounded by inflationary pressures on costs with the dual increases to the National Minimum Wage and employer's National Insurance in April alone increasing costs by £0.5 million. Marketing spend in the period also increased with several campaigns being run with the aim of stimulating demand. Funding charges also remained at high levels although, in time, further reductions in interest base rates should result in the level of these costs receding.

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

The Company's defined-benefit pension scheme deficit, calculated in accordance with the requirements of IAS 19 Pensions, showed a welcome reduction of £1.7 million from the March 2025 year-end to £2.8 million at 30 September 2025. A strong performance from the scheme's investments, along with continued higher contributions from the Company, resulted in the narrowing of the deficit in the period.

The loss before tax for the period was £0.9 million (2024: profit of £0.2 million) with a basic deficit per share of 25.8 pence (2024: earnings of 5.7 pence). The underlying deficit per share was 22.2 pence (2024: earnings of 12.2 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 fell by 14% from the prior year period. Nationally, the Society of Motor Manufacturers and Traders reported a 3% increase in total new car registrations, with equal increases in both the fleet market segment and the retail and small business market segment in which we primarily operate. However, many of our brands performed behind the UK market, which was disappointing. A number of operational changes have already been made, with additional changes planned for the coming months, with the expectation of improving performance.

Our used car sales volumes also fell slightly, by 1%, from the prior year period. Customer demand remained buoyant, and, despite the lack of availability of appropriately priced used cars, innovations in sourcing used cars helped to improve margins, which more than offset the impact of the lower volumes.

Aftersales

Our aftersales revenues rose by 7% 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 efficiencies.

Operations

During the period we saw a reversal by certain manufacturers in the previous transitions towards agency distribution models as they announced returns to their traditional wholesale agreements. Under the new agency distribution model, the manufacturer transacts directly with the customer for the sale of new cars whilst the dealer retains the handover process as an agent, for which a fee is received. Of the brands that we represent, only Volvo operates solely under an agency arrangement. Lotus, MG and Vauxhall operate solely under traditional wholesale agreements whilst the Volkswagen Audi Group brands operate mainly under the wholesale model but still distribute a limited number of cars under agency arrangements.

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.

In June 2025, the Company consolidated its Lotus representation in Ashford, Kent, by closing its operation in Lewes.

Property

Capital expenditure in the period was £0.7 million (2024: £0.5 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 £11.2 million at 31 March 2025, 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 £4.5 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 £1.7 million (2024: £2.4 million) to £2.8 million at 30 September 2025 (2024: £7.6 million). Net of deferred tax, the net deficit at 30 September 2025 was £2.1 million (2024: £5.7 million).

The Scheme's assets performed strongly in the period, increasing in value by £1.2 million whilst the net present value of the Scheme's future pension liabilities fell, by £0.5 million. These improvements, together with increased contributions from the Company, resulted in the overall narrowing of the net deficit position, by £1.7 million.

The pension cost under IAS 19 Pensions is recognised in the Condensed Consolidated Statement of Financial Performance and is

Interim Management Report continued

charged as a non-underlying cost, amounting to £128,000 (2024: £239,000) for the period. As the Scheme is in deficit, the Company has in place a recovery plan which has been agreed with the trustees, and which was last updated in June 2024. During the period, the Company made cash payments into the Scheme of £0.6 million (2024: £0.9 million), which included £0.2 million of an additional £0.5 million contribution to be made in the current financial year. 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 contributions of £0.5 million and £0.1 million in the years ending 31 March 2027 and 2028, respectively. The next triennial valuation of the Scheme is scheduled for 31 March 2026.

Bank and other funding facilities

The Company has banking facilities with HSBC, which comprise a term loan of £4.9 million, originally of £7.5 million, and a revolving-credit facility of £6.0 million, both of which become renewable in April 2027. 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 have historically been covered by three covenant tests, each being tested quarterly. All covenant tests at 30 June 2025 were passed. In light of the difficult trading conditions and the loss incurred in the period, HSBC agreed to waive two of the three covenant tests, for interest cover and leverage, for the quarters ended 30 September and 31 December 2025. The third test, covering freehold property security levels, was comfortably passed at 30 September 2025 and is expected to comfortably pass at 31 December 2025. HSBC also agreed to suspend the requirement for the interest cover and leverage covenant tests from 1 January 2026, and to replace those two tests with a single requirement at 31 March 2026 that the Company will have produced positive Senior EBITDA for the current financial year. For 2026/27, HSBC has agreed to replace the quarterly interest cover and leverage tests with minimum cumulative Senior EBITDA hurdles to be achieved by the Company at each quarter end. The Company has also agreed to maintain at all times a minimum headroom of £2.0 million against its available facilities. The board is confident that these future covenant tests through to 31 March 2027 are achievable. The Company's usual covenant tests will then be reapplied from 30 June 2027.

The Company absorbed cash during the period with an outflow of funds of £0.1 million (2024: inflow of £0.7 million) from operating activities. Working capital levels remained broadly unchanged in the period. 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 2025 were £9.6 million (2024: £11.5 million), up from £8.5 million at 31 March 2025. As a proportion of shareholders' funds, bank borrowings, net of cash balances, were 32% at 30 September 2025 (2024: 38%).

The Company also maintains inventory funding facilities, primarily from the manufacturers it represents, to facilitate the purchasing of used cars. At 30 September 2025 outstanding inventory loans were £8.9 million (2024: £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% (2024: 28%). The current year effective tax rate is in line with the standard rate of corporation tax in force for the year of 25%.

A recovery of corporation tax of £39,000 was made in the period (2024: £Nil).

At 30 September 2025, the Company recognised a deferred tax asset on the Statement of Financial Position of £0.1 million (2024: £0.1 million).

People

The response from everyone in the Company to inflationary pressures and marketplace challenges is commendable, and the board would like to express its 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 (2024: 5.0 pence per Ordinary share). This will be paid on 7 January 2026 to shareholders on the register at close of business on 12 December 2025. The Ordinary shares will be marked ex-dividend on 11 December 2025.

Strategy

Our continuing strategy is to focus on representing premium and premium volume franchises as well as maximising opportunities for used cars and aftersales service, with an emphasis on delivering the highest quality of customer experience. We recognise that we operate in a rapidly changing environment and carefully monitor the appropriateness of this strategy whilst also seeking new opportunities to invest in the future growth of the business.

We concentrate on delivering higher returns from fewer but larger sites. We are focusing on delivering performance improvement, across our new and used cars and our aftersales operations.

Current trading and outlook

Our forward-order book for new cars is at satisfactory levels although concerns remain over the general economic background and, in particular, customers' reaction to the government's November budget.

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. 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

27 November 2025

Condensed Consolidated Statement of Financial Performance

for the half year ended 30 September 2025

	Note	Unaudited Half year to 30 September 2025 Total £'000	Unaudited Half year to 30 September 2024 Total £'000	Audited Year ended 31 March 2025 Total £'000
Revenue		**133,953**	137,740	275,464
Cost of sales		**(117,280)**	(120,479)	(240,774)
Gross profit		**16,673**	17,261	34,690
Operating expenses		**(16,332)**	(15,679)	(31,673)
Operating profit before other income		**341**	1,582	3,017
Other income (net)	3	**289**	324	530
Operating profit		**630**	1,906	3,547
Operating profit before non-underlying items		**638**	1,915	3,498
Non-underlying items within operating profit	4	**(8)**	(9)	49
Operating profit		**630**	1,906	3,547
Net finance expense	5	**(1,444)**	(1,463)	(2,892)
Non-underlying net finance expense on pension scheme	4	**(120)**	(230)	(409)
Net finance expense		**(1,564)**	(1,693)	(3,301)
(Loss)/profit before taxation		**(934)**	213	246
(Loss)/profit before tax and non-underlying items		**(806)**	452	606
Non-underlying items within operating profit	4	**(8)**	(9)	49
Non-underlying net finance expense on pension scheme	4	**(120)**	(230)	(409)
(Loss)/profit before taxation		**(934)**	213	246
Taxation	6	**232**	(59)	(70)
(Loss)/profit for the period		**(702)**	154	176
(Deficit)/earnings per share				
Basic	7	**(25.8)p**	5.7p	6.4p
Diluted	7	**(25.8)p**	5.7p	6.4p
Non-GAAP measure				
Underlying basic (deficit)/earnings per share	7	**(22.2)p**	12.2p	16.4p
Underlying diluted (deficit)/earnings per share	7	**(22.2)p**	12.2p	16.4p

Condensed Consolidated Statement of Comprehensive Income

for the half year ended 30 September 2025

	Note	**Unaudited Half year to 30 September 2025 £'000**	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
(Loss)/profit for the period		**(702)**	154	176
Items that will never be reclassified to profit and loss:				
Remeasurement of net pension scheme obligation	13	**1,235**	1,717	1,707
Deferred tax on remeasurement of pension scheme obligation		**(309)**	(429)	(427)
Other comprehensive income, net of tax		**926**	1,288	1,280
Total comprehensive income for the period		**224**	1,442	1,456

Condensed Consolidated Statement of Financial Position

at 30 September 2025

	Note	Unaudited 30 September 2025 £'000	Unaudited 30 September 2024 £'000	Audited 31 March 2025 £'000
Non-current assets				
Right-of-use assets	9	**2,010**	2,147	2,200
Property, plant and equipment	9	**37,882**	38,356	38,080
Investment properties	10	**2,485**	2,541	2,513
Goodwill		**286**	286	286
Deferred tax asset		**147**	80	224
Total non-current assets		**42,810**	43,410	43,303
Current assets				
Inventories		**42,653**	43,644	44,425
Trade and other receivables		**8,231**	8,937	10,113
Interest in lease		**–**	145	65
Asset held for sale	11	**–**	4,620	–
Current tax recoverable		**–**	191	39
Cash and cash equivalents		**2,444**	2,080	3,762
Total current assets		**53,328**	59,617	58,404
Total assets		**96,138**	103,027	101,707
Current liabilities				
Interest-bearing overdrafts, loans and borrowings	12	**1,445**	2,445	1,445
Trade and other payables		**48,297**	48,635	51,781
Lease liabilities	12	**343**	423	642
Total current liabilities		**50,085**	51,503	53,868
Net current assets		**3,243**	8,114	4,536
Non-current liabilities				
Interest-bearing loans and borrowings	12	**10,640**	11,085	10,863
Lease liabilities	12	**1,786**	1,940	1,720
Preference shares	12	**812**	812	812
Pension scheme obligation	13	**2,806**	7,643	4,523
Total non-current liabilities		**16,044**	21,480	17,918
Total liabilities		**66,129**	72,983	71,786
Net assets		**30,009**	30,044	29,921
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**	1,724	1,531
Retained earnings		**26,060**	25,902	25,972
Total equity		**30,009**	30,044	29,921

Condensed Consolidated Statement of Changes in Equity

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						
Total comprehensive income	**1,439**	**272**	**707**	**1,531**	**25,972**	**29,921**
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 half year ended 30 September 2024 (unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2024	1,439	272	707	1,724	24,594	28,736
Total comprehensive income						
Profit for the period	–	–	–	–	154	154
Other comprehensive income	–	–	–	–	1,288	1,288
Total comprehensive income for the period	–	–	–	–	1,442	1,442
Transactions with owners:						
Dividends	–	–	–	–	(136)	(136)
Issue of shares – SAYE	–	–	–	–	2	2
At 30 September 2024 (unaudited)	1,439	272	707	1,724	25,902	30,044

Condensed Consolidated Statement of Changes in Equity continued

for the year ended 31 March 2025 (audited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2024	1,439	272	707	1,724	24,594	28,736
Total comprehensive expense						
Profit for the year	–	–	–	–	176	176
Other comprehensive income	–	–	–	–	1,280	1,280
Total comprehensive income for the year	–	–	–	–	1,456	1,456
Transactions with owners:						
Dividends	–	–	–	–	(273)	(273)
Issue of shares – SAYE	–	–	–	–	2	2
Transfer arising from disposal of Held for Sale Asset	–	–	–	(193)	193	–
At 31 March 2025 (audited)	**1,439**	**272**	**707**	**1,531**	**25,972**	**29,921**

Condensed Consolidated Cash Flow Statement

for the half year ended 30 September 2025

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Cash flows from operating activities			
(Loss)/profit before taxation	**(934)**	213	246
Adjustments for:			
Net finance expense and pension scheme service cost	**1,564**	1,693	3,301
Depreciation of property, plant and equipment, investment properties and right-of-use assets	**1,068**	1,089	2,141
Cash payments into the defined-benefit pension scheme	**(610)**	(915)	(4,230)
Loss/(profit) on disposal of property, plant and equipment	**3**	–	(64)
Decrease/(increase) in inventories	**1,772**	(1,393)	(2,173)
Decrease/(increase) in receivables	**1,882**	(1,627)	(2,802)
(Decrease)/increase in payables	**(3,477)**	3,046	6,194
Cash generated from operations	**1,268**	2,106	2,613
Net tax recovered	**39**	–	–
Interest paid	**(1,376)**	(1,403)	(2,916)
Net cash (absorbed by)/generated from operating activities	**(69)**	703	(303)
Investing activities			
Proceeds generated on disposal of investment property	**–**	–	4,620
Proceeds generated on disposal of property, plant and equipment	**–**	–	93
Purchases of property, plant and equipment	**(655)**	(481)	(1,063)
Receipt from investment in lease	**77**	93	185
Net cash (used in)/generated by investing activities	**(578)**	(388)	3,835
Financing activities			
Unsecured revolving credit facility utilised	**4,000**	2,500	6,500
Unsecured revolving credit facility repaid	**(4,000)**	(1,500)	(6,500)
Secured revolving credit facility received	**–**	1,000	1,000
Secured loans repaid	**(188)**	(188)	(375)
Unsecured loans repaid	**(35)**	(35)	(70)
Issue of shares – SAYE scheme	**–**	2	2
Dividends paid	**(136)**	(136)	(273)
Repayment of capital element of lease liabilities	**(312)**	(316)	(492)
Net cash (used in)/generated by financing activities	**(671)**	1,327	(208)
Net (decrease)/increase in cash and cash equivalents	**(1,318)**	1,642	3,324
Cash and cash equivalents at beginning of period	**3,762**	438	438
Cash and cash equivalents at end of period	**2,444**	2,080	3,762

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 September 2025

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 2025 and similarly for the half year to 30 September 2024 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 2025.

The comparative financial information for the year ended 31 March 2025 in these condensed consolidated financial statements does not constitute statutory accounts for that year. The statutory accounts for 31 March 2025 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 27 November 2025.

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 2025.

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. The Company's loans with HSBC have historically been covered by three covenant tests, each being tested quarterly. All covenant tests at 30 June 2025 were passed.

In light of the difficult trading conditions and the loss incurred in the period, HSBC agreed to waive two of the three covenant tests, for interest cover and leverage, for the quarters ended 30 September and 31 December 2025. The third test, covering freehold property security levels, was comfortably passed at 30 September 2025 and is expected to comfortably pass at 31 December 2025. HSBC also agreed to suspend the requirement for the interest cover and leverage covenant tests from 1 January 2026, and to replace these two tests with a single requirement at 31 March 2026 that the Company will have produced positive Senior EBITDA for the current financial year.

For 2026/27, HSBC has agreed to replace the quarterly interest cover and leverage tests with minimum cumulative Senior EBITDA hurdles to be achieved by the Company at each quarter end. The Company has also agreed to maintain at all times a minimum headroom of £2.0 million against its available facilities.

The Company's usual covenant tests will then be reapplied from 30 June 2027.

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. Any failure of a covenant test would render the borrowing facilities from HSBC to become repayable on demand, at the option of the lender.

The directors have also given consideration to the future uncertainties in the state of the UK economy, as well as to cost pressures which might impact the business such as future increases to staffing costs from rises in the National Minimum Wage and employers' National Insurance, from business rates, and from increases to funding costs from higher 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 vehicle stocking loans, a bank overdraft and revolving-credit facility, and medium-term revolving credit facilities and term loans. At 30 September 2025, the medium-term banking facilities included a term loan with an outstanding balance of £4.9 million and a revolving credit facility of £6.0 million from HSBC, its primary bankers, with both facilities being next renewable in April 2027. HSBC also makes available a short-term overdraft facility of £3.5 million, which is renewed annually each August. The Company also has a short-term revolving-credit facility from

Notes to the Condensed Consolidated Financial Statements continued

for the half year ended 30 September 2025

Volkswagen Bank of £4.0 million, which is renewed annually each November. In the opinion of the directors, there is a reasonable expectation that all facilities will be renewed at their scheduled expiry dates. At 30 September 2025 the Company held cash in hand balances of £2.4 million and had undrawn borrowing facilities of £6.5 million, all of which were immediately available.

The directors have a reasonable expectation that the Company has adequate resources and headroom against its covenant tests to be able to continue in operational existence for the foreseeable future and for at least twelve months from the date of approval of this Interim Report. For those reasons, 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 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Rent receivable	**132**	186	328
Gain on sale of personalised numberplate	**160**	138	138
(Loss)/gain on disposal of tangible fixed assets	**(3)**	–	64
Total other income	**289**	324	530

4. Non-Underlying Items

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Other income:			
Net (loss)/gain on disposal of property, plant and equipment	–	–	64
Within operating expenses:			
Service cost on pension scheme	(8)	(9)	(15)
Total non-underlying items within operating profit	(8)	(9)	49
Net finance expense on pension scheme	(120)	(230)	(409)
Total non-underlying items within (loss)/profit before taxation	(128)	(239)	(360)

5. Net Finance Expense

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Interest in lease interest receivable	(12)	(12)	(26)
Interest receivable on cash deposits	(11)	(7)	–
Interest payable on bank overdrafts	12	–	5
Interest payable on bank borrowings	428	509	955
Interest payable on inventory stocking loans	879	827	1,612
Interest on lease liabilities	68	60	150
Financing costs amortised	44	50	124
Preference dividends	36	36	72
Finance expense	1,444	1,463	2,892

Notes to the Condensed Consolidated Financial Statements continued

for the half year ended 30 September 2025

6. Taxation

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Current UK corporation tax			
Charge for the period	**–**	–	–
Adjustments recognised in the period for current tax of prior periods	**–**	–	152
Total current tax charge	**–**	–	152
Deferred tax			
Origination and reversal of timing differences	**232**	53	(33)
Adjustments recognised in the period for deferred tax of prior periods	**–**	6	(49)
Total deferred tax credit/(charge)	**232**	59	(82)
Total tax credited in the Income Statement	**232**	59	70

The tax credit arose as follows:

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
On normal trading	**200**	118	160
Non-underlying items	**32**	(59)	(90)
Total tax credit	**232**	59	70

Taxation of trading items for the half year has been provided at an effective rate of taxation of 25% (2024: 28%) 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.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential Ordinary shares.

7. Earnings Per Share continued

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 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Basic			
(Loss)/profit after tax for the period	**(702)**	154	176
Basic (deficit)/earnings per share	**(25.8)p**	5.7p	6.4p
Diluted (deficit)/earnings per share	**(25.8)p**	5.7p	6.4p
Underlying			
(Loss)/profit before tax	**(934)**	213	246
Adjustment: Non-underlying items (note 4)	**128**	239	360
Underlying (loss)/profit for the period	**(806)**	452	606
Taxation on normal trading (note 6)	**200**	(118)	(160)
Underlying (deficit)/earnings	**(606)**	334	446
Underlying basic (deficit)/earnings per share	**(22.2)p**	12.2p	16.4p
Underlying diluted (deficit)/earnings per share	**(22.2)p**	12.2p	16.4p

The number of fully paid Ordinary shares in issue at the period-end was 2,879,298 (2024: 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 (2024: 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 7 January 2026 to those shareholders on the register at the close of business on 12 December 2025. The Ordinary shares will be marked ex-dividend on 11 December 2025. An interim dividend of 5.0 pence per Ordinary share was declared in respect of the half-year ended 30 September 2024. A final dividend of 5.0 pence per Ordinary share was declared in respect of the year ended 31 March 2025.

Notes to the Condensed Consolidated Financial Statements continued

for the half year ended 30 September 2025

8. Dividends continued

Preference shares

Preference dividends were paid in October 2025. The next preference dividends are payable in April 2026. The cost of the preference dividends has been included within finance costs (see note 5).

9. 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 2025 £'000**	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Property, plant and equipment at 1 April	**38,080**	38,714	38,714
Less: Depreciation charges	**(850)**	(839)	(1,671)
Less: Net book value of disposals	**(3)**	–	(28)
Add: Purchases	**655**	481	1,065
Property plant and equipment at 30 September	**37,882**	38,356	38,080

Purchases in the period included assets in the course of construction of £43,000 (2024: £193,000).

Right-of-use assets:	**Unaudited Half year to 30 September 2025 £'000**	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Right-of-use assets at 1 April	**2,200**	2,343	2,343
Less: Amortisation of right-of-use assets	**(190)**	(196)	(388)
Add: Purchases	**–**	–	245
Right-of-use assets at 30 September	**2,010**	2,147	2,200

10. Investment Properties

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

Investment properties:	**Unaudited Half year to 30 September 2025 £'000**	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Investment properties at 1 April	**2,513**	7,216	7,216
Less: Depreciation charges	**(28)**	(55)	(82)
Transferred to current assets as asset held for sale	**–**	(4,620)	(4,621)
Investment properties at 30 September	**2,485**	2,541	2,513

11. Asset Held for Sale

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Assets held for sale at 1 April	**–**	–	–
Transferred from investment properties	**–**	4,620	4,621
Disposals	**–**	–	(4,621)
Asset held for sale at 30 September	**–**	4,620	–

In the prior period, on 29 October 2024, the board exchanged contracts for the sale of the Company's freehold premises in Lewes. Completion of the sale was dependent on the successful outcome of ground surveys, which had to be completed within a four-month period from exchange.

Management's judgement at the balance sheet date in the prior period was that the transaction was reasonably certain to complete and would do so within a twelve-month period. Accordingly, the property was reclassified from Investment Properties and shown as an asset held for sale within current assets. The property was shown at the expected sale proceeds to be received less costs of disposal.

Notes to the Condensed Consolidated Financial Statements continued

for the half year ended 30 September 2025

12. Loans and Borrowings

	Bank 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 2025 (audited)	5,308	7,000	2,362	812	15,482	(3,762)	11,720
Cash movement	(223)	–	(312)	–	(535)	1,318	783
Non-cash movement	–	–	79	–	79	–	79
At 30 September 2025 (unaudited)	**5,085**	**7,000**	**2,129**	**812**	**15,026**	**(2,444)**	**12,582**
Current liabilities/(assets)	445	1,000	343	–	1,788	(2,444)	(656)
Non-current liabilities	4,640	6,000	1,786	812	13,238	–	13,238
At 30 September 2025	**5,085**	**7,000**	**2,129**	**812**	**15,026**	**(2,444)**	**12,582**

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

13. Pensions

The pension scheme deficit reflects a defined benefit obligation that has been updated to reflect its valuation as at 30 September 2025. 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 2025 and in the period to 30 September 2024, and which complies with the accounting requirements of IAS 19 Pensions (revised).

The net liability for defined benefit obligations decreased from £4,523,000 at 31 March 2025 to £2,806,000 at 30 September 2025. The reduction of £1,717,000 comprised the net charge to the Condensed Consolidated Statement of Financial Performance of £128,000, a net positive remeasurement adjustment credited to the Condensed Consolidated Statement of Comprehensive Income of £1,235,000 and employer contributions of £610,000.

Asset values increased in the period, by £1,200,000, despite divestments to pay pension transfers and benefits in the period of £2,176,000. The net present value of pension liabilities fell, by £517,000 due to pensions settled in the period, partially offset by actuarial gains. The rate applied to discount the Scheme's liabilities remained unchanged at 5.7% from that used at 31 March 2025, but was higher than the 5.0% applied at 30 September 2024.

14. 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.

15. Capital Commitments

At 30 September 2025, the Company had capital commitments of £0.47 million (2024: £0.06 million).

16. 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.

Notes to the Condensed Consolidated Financial Statements continued

for the half year ended 30 September 2025

16. Contingent Liability continued

The Financial Conduct Authority ("FCA") is now consulting on the introduction of a large-scale redress scheme for customers who purchased cars using finance between April 2007 and November 2024. Their expectation is that such a scheme is likely to be implemented in 2026.

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 2025 in respect of this investigation.

17. Responsibility 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

M Warren
Finance Director

27 November 2025

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 2025 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 2025 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

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.

Independent Review Report to Caffyns plc

continued

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. statement in the half-yearly financial 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

27 November 2025

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

Our Dealerships

	AUDI		
	BRIGHTON:	200 Dyke Road, Brighton BN1 5AT (01273 553061)	
	EASTBOURNE:	Edward Road, Eastbourne BN23 8AS (01323 525700)	
	WORTHING:	Roundstone Lane, Worthing BN16 4BD (01903 231111)	
	MG		
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	CUPRA		
	TUNBRIDGE WELLS:	North Farm Industrial Estate, Tunbridge Wells TN2 3EL (01892 515700)	
	WORTHING:	Nightingale Avenue, Worthing BN12 6FH (01903 257017)	
	LOTUS		
	KENT:	Monument Way, Orbital Park, Ashford TN24 0HB (01233 504630)	
	SEAT		
	TUNBRIDGE WELLS:	North Farm Industrial Estate, Tunbridge Wells TN2 3EL (01892 515700)	
	WORTHING:	Nightingale Avenue, Worthing BN12 6FH (01903 926505)	
	SKODA		
	ASHFORD:	The Boulevard, Ashford TN24 0GA (01233 504600)	
	EASTBOURNE:	Lottbridge Drove, Eastbourne BN23 6PW (01323 925441)	
	TUNBRIDGE WELLS:	North Farm Industrial Estate, Tunbridge Wells TN2 3EL (01892 515700)	
	VAUXHALL		
	ASHFORD:	Monument Way, Orbital Park, Ashford TN24 0HB (01233 504604)	
	VOLKSWAGEN		
	BRIGHTON:	Victoria Road, Portslade BN41 1YD (01273 425600)	
	EASTBOURNE:	Lottbridge Drove, Eastbourne BN23 6PW (01323 647141)	
	HAYWARDS HEATH:	Market Place, Haywards Heath RH16 1DB (01444 451511)	
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	VOLVO		
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