



28 August 2025

MACFARLANE GROUP PLC

("MACFARLANE GROUP", "THE COMPANY", "THE GROUP")

INTERIM RESULTS FOR THE SIX MONTHS TO 30 JUNE 2025

Full year outlook in line with market expectations

Financial Highlights	H1 2025 £000	H1 2024 £000	Increase/ (decrease) %
Statutory Measures			
Revenue	146,591	129,598	13%
Gross profit	55,385	51,458	8%
Operating profit	7,030	10,606	(34)%
Profit before tax	4,961	9,701	(49)%
Profit for the period	3,699	7,237	(49)%
Interim dividend (pence)	0.96p	0.96p	-%
Diluted earnings per share (pence)	2.32p	4.51p	(49)%
Alternative performance measures			
Adjusted operating profit ¹	9,787	12,533	(22)%
Adjusted profit before tax	7,932	11,628	(32)%
Adjusted diluted earnings per share (pence)	3.78p	5.37p	(30)%

1 See note 2 for reconciliation of Alternative Performance Measures (before charging amortisation and deferred contingent consideration adjustments) to Statutory Measures.

Key Financial Highlights

- Group revenue increased by 13% to £146.6m (H1 2024: £129.6m).
- Group adjusted operating profit reduced by 22% to £9.8m (H1 2024: £12.5m).
- Basic and diluted earnings per share were 2.32p per share (H1 2024: 4.55p per share) and 2.32p per share (H1 2024: 4.51p per share) respectively.
- Distribution generated revenues of £110.4m (H1 2024: £110.9m) with adjusted operating profit of £4.8m (H1 2024: £9.3m).
- Manufacturing Operations increased revenues to £39.2m (H1 2024: £21.3m) and reported adjusted operating profit of £5.0m (H1 2024: £3.2m).
- Net cash inflow from operating activities of £12.4m (H1 2024: £14.1m) reflects continued management of working capital.
- Net bank debt was £15.2m on 30 June 2025, following a net cash outflow of £13.3m since 31 December 2024, after £16.5m (H1 2024: £5.0m) attributable to acquisitions and capital expenditure.
- The Group is operating well within its bank facility of £40.0m which runs until 30 November 2027 with options to extend to November 2029.
- Pension scheme surplus of £9.2m on 30 June 2025 (31 December 2024: £9.6m) with the Group not required to make any further contributions.
- Interim dividend of 0.96p per share (H1 2024: 0.96p per share) - to be paid on 9 October 2025 to shareholders on the register as at 12 September 2025 (ex-dividend date 11 September 2025).

2025 Trading Outlook

Performance improvement expected in H2 2025 through seasonal trading uplift and actions the management team is taking to manage input cost changes, mitigate operating cost increases, convert our strong pipeline of new business and deliver synergies from the Pitreavie acquisition. The full year outlook for 2025 is in line with market expectations.

Aleen Gulvanessian, Chair of Macfarlane Group PLC, commented on the interim results: "As noted in the trading update on 10 July, market conditions have been challenging in H1 2025 due to economic headwinds and uncertainty.

"Whilst Distribution has experienced weaker than expected demand, delays in new business decision-making and pressure on profit margins, Manufacturing Operations has performed more robustly. Manufacturing Operations' performance was driven by good contributions from the acquisitions of Polyformes Limited in July 2024 ("Polyformes") and The Pitreavie Group Limited in January 2025 ("Pitreavie") combined with stronger demand from customers, particularly in the defence and aerospace sectors.

"The recently launched share buyback programme will continue as planned.

"Despite the current market conditions, the Board remains confident that our strengthened sales team, differentiated customer proposition and proven executional skills mean the medium-term prospects for the Group are positive."

Further enquiries:	Macfarlane Group	Tel: 0141 333 9666
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	Peter Atkinson Chief Executive	
	Ivor Gray Finance Director	
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Legal Entity Identifier (LEI): 213800LVRYDERSJAAZ73

Notes to Editors:

- Macfarlane Group PLC has been listed on the Main Market of the London Stock Exchange plc (LSE: MACF) since 1973, with over 70 years' experience in the UK packaging industry.
- Through its two divisions, Macfarlane Group services a broad range of business customers, supplying them with high-quality protective packaging products which help customers reduce supply chain costs, improve operational efficiencies and sustainability and enhance their brand presentation. The divisions are:
 - **Packaging Distribution - Macfarlane Packaging Distribution** is the leading UK distributor of a comprehensive range of protective packaging products; and
 - **Manufacturing Operations - Macfarlane Design and Manufacture** is a UK market leader in the design and production of protective packaging for high value and fragile products.
- Headquartered in Glasgow, Scotland, Macfarlane Group employs over 1,000 people at 43 sites, principally in the UK, as well as in Ireland, Germany and the Netherlands.
- Macfarlane Group supplies more than 20,000 customers, principally in the UK and Europe.
- In partnership with 1,700 suppliers, Macfarlane Group distributes and manufactures 600,000+ lines, supplying to a wide range of sectors, including: retail e-commerce; consumer goods; food; logistics; mail order; electronics; defence; medical; automotive; and aerospace.

Interim Results - Management Report

Macfarlane Group's trading activities comprise **Packaging Distribution** and **Manufacturing Operations**.

Macfarlane's Packaging Distribution business is the UK's leading specialist distributor of protective packaging materials, with a growing presence in Europe. Macfarlane operates in the UK, Ireland, the Netherlands and Germany from 27 Regional Distribution Centres ("RDCs") and three satellite sites, supplying industrial and retail customers with a comprehensive range of protective packaging materials on a local, regional and national basis.

Competition in the packaging distribution market is from local and regional protective packaging specialist companies as well as national and international distribution generalists who supply a range of products, including protective packaging materials.

Macfarlane competes effectively on a local basis through its strong focus on customer service, its breadth and depth of product offering and through the recruitment and retention of high-quality staff with good local market knowledge. On a national and international basis, Macfarlane has market focus, expertise and a breadth of product and service knowledge, all of which enable it to compete effectively against non-specialist packaging distributors.

Packaging Distribution benefits its customers by enabling them to ensure their products are cost-effectively protected in transit and storage through the supply of a comprehensive product range, single source stock-and-serve supply, just-in-time delivery, tailored stock management programmes, electronic trading and independent advice on both packaging materials and packing processes. Through the 'Significant Six'¹ sales approach we reduce our customers' 'Total Cost of Packaging', improve their sustainability performance and reduce their carbon footprint. This is achieved through supplying effective packaging solutions, optimising warehousing and transportation, reducing damages and returns and improving packaging efficiency.

¹ "Significant Six" refers to the six key areas of packaging: materials, design, production, distribution, storage and disposal.

- "Significant Six" represents the six key costs in a customers' packing process being transport, warehousing, administration, damages and returns, productivity and customer experience.

	H1 2025	H1 2024
	£000	£000
Revenue	110,415	110,902
Cost of sales	(71,117)	(68,888)
Gross margin	39,298	42,014
Net operating expenses	(34,497)	(32,705)
Adjusted operating profit ¹	4,801	9,309
Amortisation	(1,433)	(1,516)
Deferred contingent consideration adjustments	(128)	(12)
Operating profit	3,240	7,781

1. See note 2 for reconciliation of Alternative Performance Measures (before charging amortisation and deferred contingent consideration adjustments) to Statutory Measures.

The main features of Packaging Distribution performance in H1 2025 were as follows:

- Weak customer demand across most sectors has resulted in revenue being marginally lower than H1 2024.
- Despite a strong pipeline, new business in H1 2025 was £3.7m compared to £4.5m in H1 2024, reflecting delays in customer decision-making.
- Gross margins were lower in H1 2025 at 35.6% (H1 2024: 37.9%), but more consistent with H2 2024 (36.4%). This reflects the timing of the pass-through of increased input prices, the competitive environment in a weak market and one of our second-tier corrugate suppliers going into administration.
- Operating expenses at 31.2% of revenue (H1 2024: 29.5%) due to investment in the quality of our sales team, the deployment of our new website, the well-documented increases in National Insurance and National Minimum Wage, additional property costs relating to higher-than-expected rent increases and excess costs associated with the East Midlands consolidation which was completed at the end of July 2025.
- As a consequence, adjusted operating profit as a percentage of revenue decreased to 4.3% (H1 2024: 8.4%).

Interim Results - Management Report (continued)

The priorities for Packaging Distribution in H2 2025 are to:

- Accelerate new business momentum through effective application of our leading sales tools, processes, World Class Sales training and the recent sales recruitment programme.
- Continue to effectively manage raw material input price changes.
- Reduce operating costs through efficiency programmes in sales, logistics and administration and, where possible, mitigate the impact of increases in National Insurance Contributions, National Minimum Wage and property rent.
- Realise the benefits of the new distribution centre in the East Midlands.
- Support our customers to manage the impact of Extended Producer Responsibility legislation and reduce their carbon footprint through offering more sustainable packaging solutions.
- Strengthen our key supplier relationships.
- Develop both sales and cost synergies through the relationship with our Manufacturing Operations, including Pitreavie.
- Achieve benefits from information technology investments and our relaunched web-based solutions offer to provide customers with more effective online access to our full range of products and services.
- Accelerate the progress we have made in Europe through our "Follow the Customer" programme.
- Continue to develop a pipeline of high-quality acquisitions in the UK and Europe.
- Maintain our focus on working capital management to facilitate future investment and manage effectively the ongoing bad debt risk within the current economic environment.

Manufacturing Operations comprises our nine Macfarlane Packaging Design and Manufacture business units focused on design, manufacture and assembly of bespoke protective packaging solutions for customers requiring cost-effective methods of protecting high value products in storage and transit.

The primary components we use are corrugate, timber, foam and specialist cases. The businesses supply both directly to customers and through the national RDC network of the Packaging Distribution business.

Key market sectors are aerospace, space, medical equipment, electronics, automotive, e-commerce retail, household equipment, food and drink. The markets we serve are highly fragmented, with a range of locally

based competitors. We differentiate our market offering through technical expertise, design capability, industry accreditations and national coverage through the Packaging Distribution business.

	H1 2025	H1 2024
	£000	£000
Revenue	39,212	21,329
Inter-segment revenue	(3,036)	(2,633)
External revenue	36,176	18,696
Cost of sales	(20,089)	(9,252)
Gross margin	16,087	9,444
Net operating expenses	(11,101)	(6,220)
Adjusted operating profit ¹	4,986	3,224
Amortisation	(1,196)	(638)
Deferred contingent consideration adjustments	-	239
Operating profit	3,790	2,825

1 . See note 2 for reconciliation of Alternative Performance Measures (before charging amortisation and deferred contingent consideration adjustments) to Statutory Measures.

Interim Results - Management Report (continued)

The main features of Manufacturing Operations performance in H1 2025 were:

- Increase in revenue of £17.9m to £39.2m due to:
 - £17.8m of revenue from the acquisitions of Polyformes in July 2024 and Pitreavie in January 2025.
 - organic growth of 0.3% including increases in internal supply to Distribution.
- Gross margins have decreased to 41.0% (H1 2024: 44.3%) due primarily to the effect of Pitreavie, which operates at lower margins and, to a lesser extent, the impact of increasing input prices.
- Operating expenses remain well controlled.
- 55% increase in adjusted operating profit.
- Reduction in adjusted operating profit as a percentage of revenue to 12.7% (H1 2024: 15.1%).

The priorities for Manufacturing Operations in H2 2025 are to:

- Increase momentum of new business growth in target sectors, e.g. medical, aerospace and space.
- Prioritise new sales activity in our higher added-value bespoke composite pack product range.
- Work with our customers to effectively manage raw material price changes.
- Continue strengthening the relationship with our Packaging Distribution businesses to create both sales and cost synergies.
- Achieve both sales and cost synergies through closer working with the recently-acquired businesses.
- Develop a pipeline of further high-quality acquisitions in the UK.

Interim Results - Management Report (continued)

Risks and Uncertainties

The Group operates a formal framework for the identification and evaluation of the major business risks faced by each business and determines an appropriate course of action to manage these risks.

The principal risks and uncertainties which could impact on the performance of the Group, together with the mitigating actions, were outlined on pages 26 to 30 in our Annual Report and Accounts for 2024 (available on our website at www.macfarlanegroup.com). These remain the same for the remaining six months of the current financial year with those considered highest priority for the Group summarised below:

- Given the range of prolonged geopolitical and economic uncertainties within the UK and other markets, there is an ongoing risk this will adversely affect our ability to deliver upon agreed strategic initiatives. We may also need to adapt our business quickly in order to limit the impact upon the Group's results, prospects and reputation.
- The markets we operate in are changing, with: customers increasingly aware of the environmental impact of their packaging; increasing environmental regulatory requirements for packaging suppliers, such as the Plastic Tax introduced in 2022 and the introduction of the Extended Producer Responsibility ("EPR") levy in

2025; increasing likelihood of disruption to the operations of the Group through extreme weather events such as flooding, storm damage and water stress, impacting the business directly and disrupting supply chains; investors looking to invest in companies that demonstrate strong environmental credentials; and UK Government's commitment to net zero carbon emissions by 2050 and the profound changes that is likely to drive across the economy.

- Failure to respond to strategic shifts in the market, including the impact of weaknesses in the economy as well as disruptive behaviour from competitors, changing customer needs (e.g. changing customer priorities between online and physical buying) and the increasing regulatory interventions targeted at improving sustainability could limit the Group's ability to continue to grow revenues or potentially contribute to a failure to meet market expectations.
- The Group's businesses are impacted by disruption to our supply chains as well as inflationary pressures. In particular, changes to commodity-based raw material prices, manufacturer energy costs, foreign exchange movements as well as increased bureaucracy, freight and tariff costs related to imports; lead to increases to supplier input pricing and the potential for erosion of profitability within the Group's businesses if we are unable to pass these onto customers.
- The increasing frequency and sophistication of cyber-attacks is a risk which potentially threatens the confidentiality, integrity and availability of the Group's data and IT systems. These attacks could also cause reputational damage and fines in the event of personal data being compromised.

Interim Results - Management Report (continued)

Cautionary Statement

This announcement has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential for the strategy to succeed. It should not be relied on by any other party or for any other purpose.

This report and the condensed financial statements contain certain forward-looking statements relating to operations, performance and financial status. By their nature, such statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors, including both economic and business risk factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Nothing in this Interim Results Statement should be construed as a profit forecast or an invitation to deal in the securities of the Group.

Responsibility Statement

The Directors of Macfarlane Group PLC during the first six months of 2025 were

A. Gulvanessian Chair

P.D. Atkinson Chief Executive

I. Gray Finance Director

J.W.F. Baird Non-Executive Director

D.L. Whyte Non-Executive Director

D.B. Stirling Non-Executive Director

The Directors confirm that, to the best of their knowledge:-

- (i) the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;
- (i i) the interim management report includes a fair review of the information required by DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- (i i i) the interim management report includes a fair review of the information required by DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Approved by the Board of Directors on 28 August 2025 and signed on its behalf by

.....
Peter D. Atkinson
Chief Executive

.....
Ivor Gray
Finance Director

MACFARLANE GROUP PLC
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Continuing operations				
Revenue	4	146,591	129,598	270,437
Cost of sales		(91,206)	(78,140)	(165,065)
Gross profit		55,385	51,458	105,372
Distribution costs		(6,583)	(5,609)	(11,165)
Administrative expenses		(41,772)	(35,243)	(70,610)
Operating profit	4	7,030	10,606	23,597
Finance costs	5	(2,069)	(905)	(2,701)
Profit before tax		4,961	9,701	20,896
Tax	6	(1,262)	(2,464)	(5,366)
Profit for the period		3,699	7,237	15,530
Earnings per share	8			
Basic		2.32p	4.55p	9.76p
Diluted		2.32p	4.51p	9.74p

MACFARLANE GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Items that may be reclassified to profit or loss				
Foreign currency translation differences		178	(76)	(150)
Items that will not be reclassified to profit or loss				
Remeasurement of pension scheme liability	11	(568)	270	(362)
Tax recognised in other comprehensive income				
Tax on remeasurement of pension scheme liability	12	142	(68)	91
Other comprehensive income for the period, net of tax		(248)	126	(421)
Profit for the period		3,699	7,237	15,530
Total comprehensive income for the period		3,451	7,363	15,109

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Revaluation Reserve	Own Shares £000	Translation Reserve £000	Retained Earnings £000	Total £000
At 1 January 2025		39,900	14,496	-	70	(429)	21	69,215	123,273
Comprehensive income									
Profit for the period		-	-	-	-	-	-	3,699	3,699
Foreign currency translation differences		-	-	-	-	-	178	-	178
Remeasurement of pension scheme liability	11	-	-	-	-	-	-	(568)	(568)
Tax on remeasurement of pension scheme liability	12	-	-	-	-	-	-	142	142
Total comprehensive income		-	-	-	-	-	178	3,273	3,451
Transactions with shareholders									
Dividends	7	-	-	-	-	-	-	(4,302)	(4,302)
Purchase of own shares		(62)	-	62	-	(47)	-	(293)	(340)
Share-based payments		-	-	-	-	116	-	(16)	100
Total transactions with shareholders		(62)	-	62	-	69	-	(4,611)	(4,542)
At 30 June 2025		39,838	14,496	62	70	(360)	199	67,877	122,182

MACFARLANE GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Share Capital £000	Share Premium £000	Revaluation Reserve £000	Own Shares £000	Translation Reserve £000	Retained Earnings £000	Total £000
At 1 January 2024		39,738	13,981	70	(16)	171	60,632	114,576
Comprehensive income								
Profit for the period		-	-	-	-	-	7,237	7,237
Foreign currency translation differences		-	-	-	-	(76)	-	(76)
Remeasurement of pension scheme liability	11	-	-	-	-	-	270	270
Tax on remeasurement of pension scheme liability	12	-	-	-	-	-	(68)	(68)
Total comprehensive income		-	-	-	-	(76)	7,439	7,363
Transactions with shareholders								
Dividends	7	-	-	-	-	-	(4,221)	(4,221)
New shares issued		162	515	-	(21)	-	(656)	-
Purchase of own shares		-	-	-	(392)	-	-	(392)
Share-based payments		-	-	-	-	-	74	74
Total transactions with Shareholders		162	515	-	(413)	-	(4,803)	(4,539)
At 30 June 2024		39,900	14,496	70	(429)	95	63,268	117,400

MACFARLANE GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share Capital £000	Share Premium £000	Revaluation Reserve £000	Own Shares £000	Translation Reserve £000	Retained Earnings £000	Total £000
At 1 January 2024		39,738	13,981	70	(16)	171	60,632	114,576
Comprehensive income								

Comprehensive income							
Profit for the period	-	-	-	-	-	15,530	15,530
Foreign currency translation differences	-	-	-	-	(150)	-	(150)
Remeasurement of pension scheme liability	11	-	-	-	-	(362)	(362)
Tax on remeasurement of pension scheme liability	12	-	-	-	-	91	91
Total comprehensive income		-	-	-	-	(150)	15,259
Transactions with shareholders							
Dividends	7	-	-	-	-	(5,750)	(5,750)
New shares issued		162	515	-	(21)	(656)	-
Purchase of own shares		-	-	-	(392)	-	(392)
Share-based payments		-	-	-	-	(270)	(270)
Total transactions with shareholders		162	515	-	(413)	-	(6,676)
At 31 December 2024		39,900	14,496	70	(429)	21	123,273

MACFARLANE GROUP PLC
CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) AT 30 JUNE 2025

	Note	30 June 2025 £000	30 June 2024 £000	31 December 2024 £000
Non-current assets				
Goodwill and other intangible assets		108,623	88,674	97,970
Property, plant and equipment		13,321	9,713	10,607
Right of use assets		49,511	42,105	41,077
Trade and other receivables		35	35	35
Deferred tax assets	12	321	172	145
Retirement benefit surplus	11	9,217	10,164	9,636
Total non-current assets		181,028	150,863	159,470
Current assets				
Inventories		22,041	18,626	19,049
Trade and other receivables		58,969	51,012	55,015
Current tax asset		2,091	1,175	469
Cash and cash equivalents	10	13,528	9,782	12,928
Total current assets		96,629	80,595	87,461
Total assets	4	277,657	231,458	246,931
Current liabilities				
Trade and other payables		57,648	49,023	50,263
Provisions		1,025	366	1,044
Current tax liabilities		1,291	1,563	1,035
Lease liabilities	10	8,848	7,487	7,223
Bank borrowings	10	28,682	8,977	14,846
Total current liabilities		97,494	67,416	74,411
Net current assets		(865)	13,179	13,050
Non-current liabilities				
Deferred tax liabilities	12	12,678	9,527	10,937
Deferred contingent consideration		2,407	-	2,330
Provisions		480	1,239	327
Lease liabilities	10	42,416	35,876	35,653
Total non-current liabilities		57,981	46,642	49,247
Total liabilities		155,475	114,058	123,658
Net assets	4	122,182	117,400	123,273
Equity				

Share capital	39,838	39,900	39,900
Share premium	14,496	14,496	14,496
Capital redemption reserve	62	-	-
Revaluation reserve	70	70	70
Own shares	(360)	(429)	(429)
Translation reserve	199	95	21
Retained earnings	67,877	63,268	69,215
Total equity	122,182	117,400	123,273

MACFARLANE GROUP PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Profit before tax		4,961	9,701	20,896
Adjustments for:				
Amortisation of intangible assets		2,629	2,154	4,610
Depreciation of property, plant, equipment		1,252	887	1,879
Depreciation of right-of-use assets		4,982	4,263	8,878
Deferred contingent consideration		128	(227)	(805)
(Gain)/loss on disposal of property, plant, equipment		(8)	33	39
Share-based payment expense		-	74	(270)
Finance costs		2,069	905	2,701
Operating cash flows before movements in working capital		16,013	17,790	37,928
Increase in inventories		(1,736)	(918)	(646)
Decrease in receivables		521	3,079	1,883
(Increase)/decrease in payables		2,654	(1,015)	(2,233)
Decrease in provisions		(54)	(125)	(359)
Other non-cash movements		182	-	(150)
Pension administration costs		109	244	361
Cash generated from operations		17,689	19,055	36,784
Deferred contingent consideration paid	9	-	(470)	(1,492)
Income taxes paid		(3,192)	(3,401)	(6,773)
Interest paid		(2,113)	(1,122)	(3,091)
Net cash inflow from operating activities		12,384	14,062	25,428
Investing activities				
Acquisitions	9	(10,667)	(3,598)	(10,600)
Proceeds on disposal of property, plant and equipment		123	16	45
Purchases of property, plant and equipment		(1,422)	(1,416)	(2,925)
Net cash flows from investing activities		(11,966)	(4,998)	(13,480)
Financing activities				
Dividends paid	7	(4,302)	(4,221)	(5,750)
Purchase of own shares		(240)	(392)	(392)
Drawdown of bank borrowings		39,500	-	-
Repayment of bank borrowings		(31,859)	146	8,386
Repayment of lease obligations	10	(4,671)	(4,173)	(8,251)
Net cash flows from financing activities		(1,572)	(8,640)	(6,007)
Net (decrease)/increase in cash and cash equivalents		(1,154)	424	5,941
Cash and cash equivalents at beginning of period		12,928	6,987	6,987
Cash and cash equivalents at end of period		11,774	7,411	12,928

SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

Reconciliation to condensed consolidated cash flow statement

		Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Cash and cash equivalents per the balance sheet	10	13,528	9,782	12,928
Bank overdraft		(1,754)	(2,371)	-
Balances per the cash flow statement		11,774	7,411	12,928

1. Basis of preparation

Macfarlane Group PLC is a public company listed on the London Stock Exchange, incorporated and domiciled in the United Kingdom and registered in Scotland.

The Group's annual financial statements for the year ended 31 December 2024 were prepared in accordance with United Kingdom adopted international accounting standards. This condensed set of interim financial statements has been prepared in accordance with United Kingdom adopted International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This condensed set of interim financial statements has been prepared applying the accounting policies that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2024. There were no major changes from the adoption of new IFRS's in 2024.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. Due to the nature of estimation, the actual outcomes may well differ from these estimates. The Directors have assessed the impact of climate change and consider that this does not have a significant impact on these financial statements. The key sources of estimation uncertainty that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

Retirement benefit obligations

The determination of any defined benefit pension scheme liability is based on assumptions determined with independent actuarial advice. The key assumptions used include discount rate and inflation rate, for which a sensitivity analysis is provided in Note 11. The Directors consider that those sensitivities represent reasonable sensitivities which could occur in the next financial period.

Valuation of deferred contingent consideration

The valuation of deferred contingent consideration at both acquisition date and the balance sheet date is measured at fair value. This involves the assessment of forecast future cash flows against earn-out targets agreed with the sellers of acquired businesses over a period of up to two years. This assessment is based on the Directors' best estimate using the information available at the effective dates outlined above. However, there remains a risk that the actual payment differs from the amount assumed as consideration within the PPA accounting as detailed in note 9 and from the amount recorded as a liability at the balance sheet date. Deferred contingent considerations are recognised as a liability in trade and other payables and are remeasured to fair value of £6.3m at the balance sheet date, all due within one year, based on a range of outcomes between £Nil and £8.8m. Trading in the post-acquisition period supports the remeasured value of £6.3m.

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation

Critical accounting judgements

Property provisions

Property provisions of £1.5m have been recognised as at 30 June 2025 (2024: £1.6m), representing the Directors' best estimate of dilapidations on property leases. The Directors have made the judgement that no provision is required for certain property leases where there is no intention to exit, having considered a number of factors including the extent of modifications to the property, the terms of the lease agreement

number of factors including the extent of modifications to the property, the terms of the lease agreement, and the condition of the property.

No other significant critical judgements have been made in the current or prior year.

Business activities, risks and financing

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Interim Management Report.

The Group's principal financial risks in the medium term relate to liquidity and credit risk. Liquidity risk is managed by ensuring that the Group's day-to-day working capital requirements are met by having access to banking facilities with suitable terms and conditions to accommodate the requirements of the Group's operations. The Group has a committed borrowing facility of £40m with Bank of Scotland PLC and HSBC UK Bank plc in place until November 2027. The facility bears interest at normal commercial rates and carries standard financial covenants in relation to interest cover and leverage. Credit risk is mitigated by applying considerable rigour in managing the Group's trade receivables. The Directors believe that the Group is adequately placed to manage its financial risks effectively, despite any economic uncertainty.

The Directors have reviewed the Group's cash and profit projections, which they believe are based on prudent market data and past experience taking account of reasonably possible changes in trading performance given current market and economic conditions. The Directors are of the opinion that these projections show that the Group should be able to operate within its current facilities and comply with its banking covenants.

In assessing the going concern basis, the Directors have considered the Group's business activities, the financial position of the Group and the Group's risks and uncertainties. The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. For this reason, this condensed set of financial statements has been prepared on the going concern basis.

Approval and review of condensed financial statements

These condensed financial statements were approved by the Board of Directors on 28 August 2025. As in previous years, the set of condensed financial statements for the half-year is unaudited.

2. Alternative performance measure

In measuring the financial performance and position, the financial measures used in certain limited cases are derived from the reported results in order to eliminate factors which due to their unusual nature and size distort year-on-year comparisons to a material extent and/or provide useful information to stakeholders. Where such items arise, the Directors will classify such items as separately disclosed and provide details of these items to enable users of the accounts to understand the impact on the financial statements. To the extent that a measurement under Generally Accepted Accounting Principles ("GAAP") is adjusted for a separately disclosed item, this is referred to as an Alternative Performance Measure ("APM"). We believe that the APMs defined below, and the comparable GAAP measurement, provides a useful basis for measuring the underlying financial performance and position of the Group and its businesses when compared to similar companies.

Adjusted operating profit is defined as operating profit before customer relationships and brand values amortisation, and deferred contingent consideration adjustments.

Adjusted profit before tax is defined as profit before tax, customer relationships and brand values amortisation, and deferred contingent consideration adjustments.

Adjusted diluted earnings per share is defined as diluted earnings per share before, customer relationships and brand values amortisation per share and related tax per share and deferred contingent consideration adjustments per share.

MACFARLANE GROUP PLC SIX MONTHS ENDED 30 JUNE 2025 NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

	Alternative performance measures £000	Customer relationship/ brand values amortisation £000	Deferred contingent consideration adjustments £000	Tax £000	Statutory measures £000	
Year to 30 June 2025						
Adjusted operating profit	9,787	(2,629)	(128)	-	7,030	Operating profit
Adjusted profit before tax	7,932	(2,629)	(342)	-	4,961	Profit before tax
Adjusted diluted earnings per share (pence)	3.78p	(1.65)p	(0.21)p	0.40p	2.32p	Diluted earnings per share (pence)
Year to 30 June 2024						
Adjusted operating profit	12,533	(2,154)	227	-	10,606	Operating profit
Adjusted profit before tax	11,628	(2,154)	227	-	9,701	Profit before tax
tax						

Adjusted earnings per share (pence)	diluted		5.37p	(1.34)p	0.14p	0.34p	4.51p	Diluted earnings per share (pence)
Year to 31 December 2024								
Adjusted profit	operating		27,402	(4,610)	805	-	23,597	Operating profit
Adjusted profit before tax			24,969	(4,610)	537	-	20,896	Profit before tax
Adjusted earnings per share (pence)	diluted		11.56p	(2.89)p	0.34p	0.73p	9.74p	Diluted earnings per share (pence)

3. General information

Comparative figures for the year ended 31 December 2024 are extracted from Macfarlane Group's statutory accounts for 2024. The information for the year ended 31 December 2024 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor on 27 February 2025 was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

MACFARLANE GROUP PLC

SIX MONTHS ENDED 30 JUNE 2025

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

4. Segmental information

The Group's principal business segment is **Packaging Distribution**, comprising the distribution of packaging materials in the UK, Ireland and Europe. This comprises 75% of Group revenue and 46% of Group operating profit. The Group's **Manufacturing Operations** segment comprises the design, manufacture and assembly of timber, corrugated and foam-based packaging materials in the UK. This comprises 25% of Group revenue and 54% of Group operating profit.

	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Group segment - total revenue			
Packaging Distribution	110,415	110,902	228,763
Manufacturing Operations	39,212	21,329	47,458
Inter-segment revenue	(3,036)	(2,633)	(5,784)
Revenue	146,591	129,598	270,437
Trading results - continuing operations			
<u>Packaging Distribution</u>			
Total and external revenue	110,415	110,902	228,763
Cost of sales	(71,117)	(68,888)	(143,890)
Gross profit	39,298	42,014	84,873
Net operating expenses	(34,497)	(32,705)	(64,715)
Adjusted operating profit	4,801	9,309	20,158
Amortisation	(1,433)	(1,516)	(3,082)
Deferred contingent consideration adjustments	(128)	(12)	255
Operating profit	3,240	7,781	17,331
<u>Manufacturing Operations</u>			
Total revenue	39,212	21,329	47,458
Inter-segment revenue	(3,036)	(2,633)	(5,784)
External revenue	36,176	18,696	41,674
Cost of sales	(20,089)	(9,252)	(21,175)
Gross profit	16,087	9,444	20,499
Net operating expenses	(11,101)	(6,220)	(13,255)
Adjusted operating profit	4,986	3,224	7,244
Amortisation	(1,196)	(638)	(1,528)

Amortisation	(1,555)	(1,555)	(1,555)
Deferred contingent consideration adjustments	-	239	550
Operating profit	3,790	2,825	6,266

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

4. Segmental information (continued)

	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Operating profit - continuing operations			
Packaging Distribution	3,240	7,781	17,331
Manufacturing Operations	3,790	2,825	6,266
Operating profit	7,030	10,606	23,597
Finance costs (note 5)	(2,069)	(905)	(2,701)
Profit before tax	4,961	9,701	20,896
Tax (note 6)	(1,262)	(2,464)	(5,366)
Profit for the period	3,699	7,237	15,530
	30 June 2025 £000	30 June 2024 £000	31 December 2024 £000
Total assets			
Packaging Distribution	192,958	189,454	189,768
Manufacturing Operations	84,699	42,004	57,163
Total assets	277,657	231,458	246,931
Net assets			
Packaging Distribution	62,364	86,809	78,936
Manufacturing Operations	59,818	30,591	44,337
Net assets	122,182	117,400	123,273
5. Finance costs	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Interest on bank borrowings	878	342	950
Interest on leases	1,235	780	1,921
Finance income relating to defined benefit pension scheme (note 11)	(258)	(217)	(438)
Finance charge relating to deferred contingent consideration	214	-	268
Net finance costs	2,069	905	2,701

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

6. Tax	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Current tax			
UK corporation tax	1,744	2,390	5,363
Foreign tax	145	461	795
Prior year adjustments	43	-	(58)
Total current tax	1,932	2,851	6,100

Total deferred tax	(note 12)	(670)	(387)	(734)
Total tax		1,262	2,464	5,366

Tax for the six months ended 30 June 2025 has been charged at 25% (2024 - 25%) representing the best estimate of the effective tax charge for the full year. Deferred tax assets and liabilities at 30 June 2025 have been calculated based on the long-term corporation tax rate of 25%, which had been substantively enacted at that date.

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

7. Dividends	Six months to 30 June 2025	Six months to 30 June 2024	Year to 31 December 2024
	£000	£000	£000
Amounts recognised as distributions to equity holders in the period			
Final dividend 2.70p per share (2024: 2.65 per share)	4,302	4,221	4,221
Interim dividend (2024: 0.96p per share)	-	-	1,529
Distributions in the period	4,302	4,221	5,750

An interim dividend of 0.96p per share, payable on 9 October 2025, was declared on 28 August 2025 and has therefore not been included as a liability in these condensed financial statements.

8. Earnings per share	Six months to 30 June 2025	Six months to 30 June 2024	Year to 31 December 2024
	£000	£000	£000
Earnings			
Profit for the period	3,699	7,237	15,530
Number of shares '000	30 June 2025	30 June 2024	31 December 2024
Weighted average number of shares in issue	159,559	159,321	159,461
Less shares held by the EBT	(296)	(226)	(278)
Weighted average number of shares- basic	159,263	159,095	159,183
Effect of Long-Term Incentive Plan awards in issue	116	1,475	340
Weighted average number of shares - diluted	159,379	160,570	159,523
Basic earnings per share	2.32p	4.55p	9.76p
Diluted earnings per share	2.32p	4.51p	9.74p

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

9. Acquisitions

On 10 January 2025, MGUK acquired 100% of The Pitreavie Group Limited ("Pitreavie"), for a total potential consideration of £18.0m less completion adjustments of £3.4m. Full potential contingent consideration of £4.0m is payable in the first quarters of 2026 and 2027, subject to certain trading targets being met in the twelve-month period ending on 31 December 2025 and 31 December 2026 respectively.

£0.55m was paid in 2025 to the sellers of A & G Holdings Limited ("Gottlieb"), acquired in 2023, as the profit target was met for the twelve-month period ending 30 April 2025.

£0.65m was paid in 2025 to the sellers of Allpack Packaging Supplies Limited ("Allpack Direct"), acquired in 2024, as the profit target was partially met for the twelve-month period ending 28 February 2025.

Contingent considerations are recognised as a liability in trade and other payables and are remeasured to fair value of £6.3m at the balance sheet date, all due within one year, based on a range of outcomes between £Nil and £8.8m. Trading in the post-acquisition period supports the remeasured value of £6.3m. The £6.3m relates to the acquisitions of Polyformes Limited (£4.7m) and Pitreavie (£1.6m). The settlement of the amount initially recognised upon acquisition is reflected in cash flows from investing activities, with the element of the payment relating to any

subsequent remeasurement included within cash flows from operating activities.

Fair values assigned to net assets acquired and consideration paid and payable are set out below:

	Pitreavie £000	Prior Year Acquisitions £000	2025 Total £000
Net assets acquired			
Other intangible assets	6,937	-	6,937
Tangible assets	7,490	-	7,490
Inventories	1,256	-	1,256
Trade and other receivables	4,475	-	4,475
Current tax asset	111	-	111
Cash and bank balances	1,093	-	1,093
Bank borrowings	(4,441)	-	(4,441)
Trade and other payables	(4,275)	-	(4,275)
Lease liabilities	(4,477)	-	(4,477)
Deferred tax liabilities (note 11)	(2,377)	-	(2,377)
Net assets acquired	5,792	-	5,792
Goodwill arising on acquisition	6,346	-	6,346
Total consideration	12,138	-	12,138
Contingent consideration on acquisitions			
Current year	(1,577)	-	(1,577)
Prior years	-	1,199	1,199
Total cash consideration	10,561	1,199	11,760
Net cash outflow arising on acquisitions			
Cash consideration	(10,561)	(1,199)	(11,760)
Cash and bank balances acquired	1,093	-	1,093
Net cash outflow - acquisitions	(9,468)	(1,199)	(10,667)
Per Cash Flow Statement			
Net cash outflow from investing activities	(9,468)	(1,199)	(10,667)

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

10. Analysis of changes in net debt

	Cash and cash equivalents £000	Bank borrowing £000	Lease liabilities £000	Total debt £000
Total debt				
At 1 January 2024	7,691	(7,164)	(36,176)	(35,649)
Non-cash movements				
Acquisitions	1,862	-	-	1,862
Disposals	-	-	108	108
New leases	-	-	(11,504)	(11,504)
Exchange movements	-	-	36	36
Cash movements	229	(1,813)	4,173	2,589
At 30 June 2024	9,782	(8,977)	(43,363)	(42,558)
Non-cash movements				
Acquisitions	621	-	(1,709)	(1,088)
Disposals	-	-	(1)	(1)
New leases	-	-	296	296
Exchange movements	-	-	33	33
Lease modifications	-	-	(2,210)	(2,210)
Cash movements	2,525	(5,869)	4,078	734
At 31 December 2024	12,928	(14,846)	(42,876)	(44,794)
Non-cash movements				
Acquisitions	1,093	(4,441)	(4,477)	(7,825)
Disposals	-	-	4	4
New leases	-	-	(8,534)	(8,534)
Exchange movements	-	-	(34)	(34)
Lease modifications	-	-	(18)	(18)
Cash movements	(493)	(9,395)	4,671	(5,217)
At 30 June 2025	13,528	(28,682)	(51,264)	(66,418)

Total cash movements for 2024	2,754	(7,682)	8,251	3,323
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net bank debt				Net bank debt £000
At 30 June 2025	13,528	(28,682)		(15,154)
	<u> </u>	<u> </u>		<u> </u>
At 31 December 2024	12,928	(14,846)		(1,918)
	<u> </u>	<u> </u>		<u> </u>

Cash and cash equivalents (which are presented as a single class of asset on the balance sheet) comprise cash at bank and other short-term highly liquid investments with maturity of three months or less.

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

11. Retirement benefit obligations

The figures below have been prepared by Aon based on the results of the triennial actuarial valuation as at 1 May 2023 updated to 30 June 2024, 31 December 2024 and 30 June 2025. The scheme investments and the scheme's net surplus position as calculated under IAS 19 are as follows:

	30 June 2025 £000	30 June 2024 £000	31 December 2024 £000
<u>Investment class</u>			
Equities			
Multi-asset diversified growth funds	2,404	4,897	2,879
Bonds			
Liability-driven Investment funds	32,608	34,690	32,589
Other investments			
Multi asset credit fund	10,316	10,041	10,234
Securitised credit funds	16,558	17,343	16,895
Cash	1,029	1,305	1,511
	<u> </u>	<u> </u>	<u> </u>
Fair value of Scheme investments	62,915	68,276	64,108
Present value of Scheme liabilities	(53,698)	(58,112)	(54,472)
	<u> </u>	<u> </u>	<u> </u>
Pension scheme surplus	9,217	10,164	9,636
	<u> </u>	<u> </u>	<u> </u>

These amounts were calculated using the following principal assumptions as required under IAS 19:

Assumptions	30 June 2025	30 June 2024	31 December 2024
Discount rate	5.50%	5.10%	5.50%
Rate of increase in pensionable salaries	0.00%	0.00%	0.00%
Rate of increase in pensions in payment	3% or 5%	3% or 5%	3% or 5%
	for fixed increases or 2.88% for LPI	for fixed increases or 3.10% for LPI	for fixed increases or 3.03% for LPI
PIE take up rate	60%	60%	60%
Inflation assumption (RPI)	3.00%	3.30%	3.20%
Inflation assumption (CPI)	2.60%	2.80%	2.80%
Life expectancy beyond normal retirement age of 65			
Scheme member aged 55			
Male	22.5 years	22.4 years	22.3 years
Female	24.2 years	24.1 years	24.1 years
Scheme member aged 65			
Male	21.9 years	21.9 years	21.8 years
Female	23.5 years	23.4 years	23.4 years
Average uplift for GMP service	0.40%	0.40%	0.40%

	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
Movement in scheme surplus in the period			
At start of period	9,636	9,921	9,921
Administration costs incurred	(109)	(244)	(361)
Net finance income	258	217	438
Re-measurement of pension scheme liability in the period	(568)	270	(362)
	<u> </u>	<u> </u>	<u> </u>
At end of period	9,217	10,164	9,636

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

11. Retirement benefit obligations (continued)

Sensitivity to key assumptions

Key assumptions used for IAS 19 are discount rate, inflation and mortality. If different assumptions were used, then this could have a material effect on the surplus. Assuming all other assumptions are held static then a movement in the following key assumptions would affect the level of the surplus as shown below:-

Assumptions	30 June 2025 £000	30 June 2024 £000	31 December 2024 £000
-------------	-------------------------	-------------------------	-----------------------------

Discount rate movement of +3.0%	19,326	20,915	19,605
Inflation rate movement of +0.25%	(514)	(556)	(521)
Mortality movement of +0.1 year in age rating	121	131	123

Positive figures reflect a reduction in scheme liabilities and therefore an increase in the scheme surplus.

	Six months to 30 June 2025 £000	Six months to 30 June 2024 £000	Year to 31 December 2024 £000
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Movement in fair value of Scheme investments

Scheme investments at start of period	64,108	72,523	72,523
Interest income	1,698	1,582	3,160
Return on scheme assets (exc. amount shown in interest income)	(888)	(3,504)	(6,933)
Administration costs incurred	(109)	(244)	(361)
Benefits paid	(1,894)	(2,081)	(4,281)

Scheme investments at end of period	62,915	68,276	64,108
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Movement in present value of Scheme liabilities

Scheme liabilities at start of period	(54,472)	(62,602)	(62,602)
Interest cost	(1,440)	(1,365)	(2,722)
Actuarial gain due to the changes in financial and experience	320	3,774	6,571
Benefits paid	1,894	2,081	4,281

Scheme liabilities at end of period	(53,698)	(58,112)	(54,472)
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Basis of recognition of surplus

Macfarlane Group PLC, based on legal opinion provided, has an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a wind up of the Macfarlane Group PLC Pension & Life Assurance Scheme (1974) (the 'Scheme'). Furthermore, in the ordinary course of business the trustees have no rights to unilaterally wind up the Scheme, or otherwise augment the benefits due to members of the Scheme. Based on these rights, any net surplus in the Scheme is recognised in full.

Investments

The Trustees review the Scheme investments regularly and consult with the Company regarding any changes.

Funding

Following the completion of the triennial actuarial valuation at 1 May 2023, Macfarlane Group PLC is not required to pay further deficit reduction contributions.

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and other ("the Virgin Media case") relating to the validity of certain historical pension changes. The ruling was upheld at the Court of Appeal in July 2024. After seeking external legal advice the Group has concluded that they are not aware of any issues that would require any adjustment to the defined benefit obligations and no further action is required at this stage.

MACFARLANE GROUP PLC
SIX MONTHS ENDED 30 JUNE 2025
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

12. Deferred tax

	Tax losses less accelerated capital allowances £000	Other intangible assets £000	Retirement Benefit Obligations £000	Total £000
At 1 January 2024	(737)	(5,919)	(2,481)	(9,137)

Acquisitions	(5)	(532)	-	(537)
Credited/(charged) in income statement				
Current period	(159)	539	7	387
Charged in other comprehensive income	-	-	(68)	(68)
At 30 June 2024	(901)	(5,912)	(2,542)	(9,355)
Acquisitions	(114)	(1,829)	-	(1,943)
Credited/(charged) in income statement				
Current period	(246)	619	(26)	347
Credited in other comprehensive income	-	-	159	159
At 1 January 2025	(1,261)	(7,122)	(2,409)	(10,792)
Acquisitions	(686)	(1,691)	-	(2,377)
Credited/(charged) in income statement				
Current period	62	646	(38)	670
Charged in other comprehensive income	-	-	142	142
At 30 June 2025	(1,885)	(8,167)	(2,305)	(12,357)
Deferred tax assets	321	-	-	321
Deferred tax liabilities	(2,206)	(8,167)	(2,305)	(12,678)
At 30 June 2025	(1,885)	(8,167)	(2,305)	(12,357)

13. Related party transactions

Related party transactions for 2024 are disclosed in note 26 of the 2024 Annual Report. The Directors are satisfied that, other than the changes in the Retirement Benefit Obligations disclosed in note 11 above, there have been no changes which could have a material effect on the financial position of the Group in the first six months of the financial year.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed.

Details of individual and collective remuneration of the Company's Directors and dividends received by the Directors for calendar year 2025 will be disclosed in the Group's 2025 Annual Report. Peter Atkinson and Ivor Gray hold option awards over 750,068 and 371,241 ordinary shares respectively under the Macfarlane Group PLC Long Term Incentive Plan awarded in 2023 and 2024.

There are no other related party transactions during the six-month period which require disclosure.

MACFARLANE GROUP PLC SIX MONTHS ENDED 30 JUNE 2025 NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

14. Post balance sheet events

There are no post balance sheet events requiring disclosure.

15. Interim Report

The interim report will be posted to shareholders on 15 September 2025. Copies will be available from the registered office, 3 Park Gardens, Glasgow G3 7YE and available on the Company's website www.macfarlanegroup.com, from that date.

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