RC FORNAX PLC

Interim Report

For the six months ended 28 February 2026

Engineering outcomes, delivering efficiency

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Financial & Operational Highlights

*For the six months ended 28 February 2026 (**"H1 FY26"** or the **"Period"**)*

£2.2m	£0.7m	£(0.9)m	£1.8m
Revenue	Gross Profit	Operating Loss	Cash
H1 FY25 restated: £2.5m	Margin: 31%	H1 FY25 restated: £0.1m profit	31 Aug 2025: £0.9m

Financial Highlights

- Revenue of £2.2m (H1 FY25 restated: £2.5m), with H1 FY26 revenue 40% ahead of H2 FY25 (£1.6m), reflecting improving order conversion momentum during the Period.
- Outcome based services 72% of revenue mix (H1 FY25 restated: 52%) in line with strategy set out at the time of the Company's IPO in February 2025.
- Average 26% month on month increase in revenue during the Period.
- Gross profit of £0.7m (H1 FY25: £0.7m), with gross margin of 31% (H1 FY25: 27%), demonstrating improved delivery mix and operational leverage in the managed services model.
- Operating loss of £0.9m (H1 FY25: operating profit £0.1m), reflecting continued investment in capability, governance and headcount to support expected growth in H2 FY26 and beyond.
- Cash position of £1.8m at 28 February 2026 (31 August 2025: £0.9m), following the £2.1m net equity fundraise completed in December 2025.
- Net assets of £3.0m (31 August 2025: £1.9m).

Operational Highlights

- £4.1m in new orders (including subject to contract) and extensions booked in H1 FY26, demonstrating clear pipeline conversion.
- Contract award from a UK Public Sector Space Client, marking meaningful progress in diversification beyond core MoD work.
- Unconditional acceptance by Aurora Engineering Partnership ("**Aurora**") as a Specialist Provider on Evolve, its Engineering Delivery Partnership ("**EDP**") Provider Network, a major UK defence engineering framework.
- Further contract extension valued at approximately £0.5m from an existing tier-1 defence client.
- SME Procure platform development advancing on track, with commercialisation expected in FY26.
- Board strengthened: Richard Smith (Non-Executive Director, September 2025), Chris Brooks (Executive Director) and Andrew McInerney (Non-Executive Director), both January 2026.

Post Period Highlights & Outlook

- Board remains confident in current market expectations

- As at 30 April 2026, visibility of c.£5.7m FY26 sales, comprising £3.1m already invoiced, c.£1.5m in contracted sales[1] for the remainder of the year, £0.4m subject to contract[2], and c.£0.5m of in year PO extensions where there is confidence of renewal.
- Invoiced sales in April 2026 were 3x those achieved in September 2025.
- Additional orders (including subject to contract) of £1.5m, of which £0.7m expected to convert to sales during FY26.
- First phase of contract with UK Public Sector Space Client delivered successfully, with exceptional customer feedback and current commercial discussions over potential second phase.
- Substantial progress made towards major framework agreement with top seven prime contractor to MoD[3], now in the final stages of commercial approvals.
- The Board remains encouraged by long-term UK defence spending trajectory despite near-term uncertainty linked to the delayed Defence Investment Plan (**"DIP"**), with spending projected to reach 2.5% of GDP by 2027.
- Strong commercial execution driving results, with eight new clients (including two top six prime contractors to MoD[3]), a further Prime framework on track, and a c.2.5x uplift in win rate - underpinned by more disciplined qualification, prioritisation, and pipeline maturity.
- Diversification strategy gaining traction with a new non-defence client secured, driven by increased business development in adjacent sectors - laying the groundwork for a more balanced, resilient revenue base despite a pipeline still weighted towards defence.
- Total purchase orders received ensure that the Company is well positioned to benefit in FY26, FY27 and beyond as procurement clarity improves and framework participation generates increasing revenue opportunities.

[1] Purchase Order in hand
[2] Purchase Order pending.
[3] MOD trade, industry and contracts: 2025 (updated 12 March 2026)

Chairman's Statement

RC Fornax enters the second half of FY26 with greater revenue visibility, a strengthened Board, and a clearer path to profitability than at any point since our AIM admission.

Overview

Following the challenges faced by the Company in FY25, I am very pleased to report, in my first year as Non-Executive Chairman, that the first half of FY26 has seen meaningful progress.

RC Fornax is now demonstrating a materially improved commercial trajectory, having moved from subdued order intake in FY25 to consistent multi-million-pound quarterly order flow with growing visibility and operational leverage.

The Strategic Defence Review, published in June 2025, created a period of procurement uncertainty that constrained near-term revenue conversion for businesses like RC Fornax operating in the UK defence supply chain. However, I am very pleased to report that the Company has responded with discipline and purpose, and the first half of FY26 reflects the early benefits of that work.

Order intake of £4.1m in H1 FY26 provides firm evidence that the pipeline the Company has been building is beginning to convert. With £5.7m in total FY26 revenue visibility entering the second half, and our framework positions increasingly active, the business is in a materially stronger commercial standing than this time last year, positioning the business well for FY26 and the years beyond.

Market Environment

The UK Government's commitment to raise defence spending to 2.5% of GDP by 2027 - representing an estimated £13.4bn uplift - continues to underpin strong long-term demand for the services RC Fornax provides. The Defence Industrial Strategy, published in September 2025, reinforced the importance of agile, accredited SMEs in delivering national capability. RC Fornax believes its agile, outcomes-based delivery model is well aligned with the priorities outlined in that strategy.

Ongoing uncertainty around the timing of the Defence Investment Plan has continued to affect the pace of procurement decisions on certain programmes. The Board is monitoring this closely, and the Company's pipeline diversification - including our seven framework positions and the recently announced UK Public Sector Space client contract - provides meaningful insulation against concentrated programme risk.

Governance & Board

The Board was significantly strengthened during and immediately after the end of the last financial year. Richard Smith joined as Independent Non-Executive Director in September 2025, and both Chris Brooks as Executive Director and Andrew McInerney as Independent Non-Executive Director in January 2026. The Audit and Remuneration Committees are now fully constituted and active, each chaired by an independent Non-Executive Director.

I was appointed Non-Executive Chair in January 2026, following Mark Fahy's departure, and I am committed to ensuring that governance standards and investor communications continue to improve as the Company matures.

Outlook

Looking ahead to H2 FY26 and beyond, the Board is optimistic. Revenue visibility is strong, the investment in our Bristol HQ and headcount is beginning to yield returns, and the SME Procure platform is advancing towards commercialisation.

Whilst current fiscal and political challenges in the UK continue to impact defence procurement timelines, the Board remains confident that the structural demand for RC Fornax's services remains strong. This confidence is reinforced by the increasingly complex global security environment, including ongoing geopolitical tensions in Eastern Europe and the Middle East, both of which have further underscored the need for the UK and Europe to accelerate defence readiness and enhance strategic autonomy. In this environment, the Company's outcomes-based service model is increasingly attractive to customers operating under funding constraints, contributing to growing demand for outsourced engineering capability. The Board believes that, against total current UK defence spending of around £65bn, the addressable market for outsourced engineering services is of an order of magnitude of approximately £1.5bn, supporting the Board's confidence in the Group's near-term growth potential.

On behalf of the Board, I thank our employees, associates, customers and shareholders for their continued support and confidence.

David Hitchcock

Non-Executive Chair

27 May 2026

Chief Executive's Review

H1 FY26 has been defined by conversion - turning the pipeline we built through FY25 into firm orders and revenue. With £4.1m of new orders booked in the first half, we are executing on the strategy.

Business Performance

H1 FY26 has been a period of sustained commercial execution. The investments we made in people, infrastructure and framework positioning during FY25 are now generating measurable returns - in orders, revenue momentum, and pipeline quality.

Revenue of £2.2m was 40% ahead of H2 FY25, with an average month-on-month increase of 26% during the Period. Order intake of £4.1m demonstrates that our pipeline is converting. These are not isolated data points - they reflect a business that has stabilised its commercial base and is building from it.

Gross margin improved to 31% (H1 FY25: 27%), reflecting the increasing proportion of outcome-based work in our revenue mix. This is precisely the direction of travel we set out at IPO: moving from effort-based time-and-materials engagements toward structured, outcome-driven delivery that rewards operational efficiency and scales with our capability.

The operating loss of £0.9m reflects a deliberate choice. The headcount and Bristol HQ investment made in FY25 is now running as a full-period overhead cost. We have not sought to reduce that base - because the capacity it creates is what enables us to convert the pipeline opportunities now in advanced stages. As revenue grows through H2 FY26, we expect to see meaningful operating leverage from this fixed cost base.

Entering the second half, we have visibility over more than £5.7m of FY26 revenue. The Company is well-funded, with cash of £1.8m at the Period end following the December 2025 equity raise, and net working capital of a further £0.5m. The Board remains confident in meeting market expectations for FY26.

Framework Participation

RC Fornax is now participating across seven procurement frameworks, with strong engagement on more than 20 bid opportunities since April 2025. The unconditional acceptance by Aurora Engineering Partnership as a Specialist Provider on the Evolve framework in January 2026 represents a particularly significant milestone, opening access to a major UK defence engineering delivery network and further strengthening our position in the land domain, allowing RC Fornax continued access to this key MoD framework.

We are in advanced discussions on three major agreements, two of which are with defence primes for land and maritime programmes. These discussions are progressing constructively, and the Board looks forward to providing further updates in due course.

Diversification

Our contract award from a UK Public Sector Space Client, announced in November 2025, marks a crucial step in the Company's strategy to diversify beyond core MoD work while retaining the security-cleared, outcomes-focused delivery model that differentiates RC Fornax. The space sector offers significant growth potential and strong alignment with our existing technical capabilities across programme management and engineering assurance.

SME Procure Platform

Development of the SME Procure platform is advancing well. The platform - which deploys AI-driven tools to generate Scopes of Work, build teams and connect SMEs with defence buyers - is designed to transform how smaller businesses engage with defence procurement, by simplifying and accelerating the process. SME Procure Ltd was incorporated as a wholly owned subsidiary following the Period end to provide a dedicated structure for this initiative. Commercialisation remains on track for FY26 with demonstrations taking place with defence primes and second stage implementation discussions on the horizon.

People & Infrastructure

Our Bristol HQ, which opened in April 2025 and was designed to meet MoD secure facility standards, is fully operational and providing the professional environment required to attract and retain the calibre of talent the Company needs. Headcount grew from 11 to 17 during FY25, and we continue to recruit selectively for roles that directly support our growth priorities. The full-period cost of these FY25 hires is reflected in the H1 FY26 overhead base.

Strategy & Priorities

Our four priorities for the remainder of FY26 are unchanged:

- Convert major framework agreements and accelerate revenue growth.
- Scale SME Procure to unlock margin improvement and operational leverage.
- Deepen partnerships with primes and SMEs to strengthen market position.
- Maintain financial discipline while investing in innovation and talent.

Outlook

RC Fornax has undergone a significant commercial recovery over the last 12 months, transitioning from weak order intake in FY25 to sustained multi-million-pound quarterly order flow with improving conversion, visibility and momentum across the business.

The structural case for RC Fornax's services has never been stronger as the UK's transition to a war-fighting readiness posture demands precisely the kind of agile, outcomes-focused capability we deliver.

FY26 started with low monthly invoicing of around £162k, reflecting the dip in billable engineers deployed with our client base. Monthly billing has increased by an average of 26% month on month during the Period and continues to grow as sales become more consistent. This upward trend of average monthly invoicing, trailing the sales received, is what provides not only the confidence of at least meeting market expectations for FY26, but will be the foundation to deliver on FY27, as we target average monthly invoicing of between £800k and £1m by the end of FY26.

Against a current UK defence budget estimated at approximately £65bn, management believes the addressable market for outsourced defence engineering services exceeds £1.5bn, and we see significant opportunity to grow our share of that market in the years ahead. With £5.7m in FY26 revenue visibility, a well-funded balance sheet and a pipeline of high-quality opportunities at advanced stages, I am confident in the Company's ability to deliver a materially improved second half and a stronger full year and beyond.

Paul Reeves

Chief Executive Officer

27 May 2026

Financial Review

Revenue

Revenue for the six months ended 28 February 2026 was £2.2m (H1 FY25 restated: £2.5m). The more instructive comparison is the sequential trend: H1 FY26 revenue was 40% ahead of H2 FY25 (£1.6m). The drivers of both the year-on-year movement and the improving sequential momentum are discussed in the Chief Executive's Review.

Gross Profit

Gross profit was £0.7m (H1 FY25: £0.7m), representing a gross margin of 31% (H1 FY25: 27%). The margin improvement reflects a more favourable contract mix, as discussed in the Chief Executive's Review.

It should be noted that cost of sales as presented excludes internal project management and engineering support costs, as these are not time-recorded and are therefore expensed within operating costs. The Board continues to review its costing methodology and may elect to introduce time-writing for these activities in future periods, which would result in a greater allocation of internal labour to cost of sales and a corresponding reduction in reported gross margin, albeit with a corresponding improvement in operating margin. The Board remains focused on sustaining and building on underlying margin improvement as the contract portfolio evolves.

Administrative Expenses

Administrative expenses for the Period were £1.6m (H1 FY25: £0.6m), reflecting the full-period cost of headcount and infrastructure investment made during FY25, as described in the Chief Executive's Review. The Board is actively managing discretionary expenditure and expects the overhead base to remain broadly stable in H2 FY26, such that increased revenue in the second half will deliver significantly improved operating leverage.

Operating Loss

The operating loss for the Period was £0.9m (H1 FY25: operating profit £0.1m), reflecting the increase in the overhead base partially offset by the improvement in gross margin. The Board continues to target a return to profitability at EBITDA level as revenue scales through H2 FY26 and into FY27.

Finance Costs

Finance costs of £0.05m (H1 FY25: £0.1m) comprise IFRS 16 lease interest on the Bristol HQ and vehicle leases together with interest on the Company's business finance loan. The material reduction year-on-year reflects the closure of the invoice discounting facility in FY25, which carried significant charges. The business finance loan, with an outstanding balance of approximately £0.2m, matures in September 2026 and all repayments are being met on time.

Cash & Balance Sheet

Cash at 28 February 2026 was £1.8m (31 August 2025: £0.9m), following the net proceeds of £2.1m raised in the December 2025 equity fundraise. Net assets at the Period end were £3.0m (31 August 2025: £1.9m).

Non-current assets of £1.3m (31 August 2025: £1.2m) principally comprise the Bristol HQ fit-out, right-of-use assets for property and vehicles, and capitalised development expenditure on the SME Procure platform. Trade and other receivables of £1.2m remain in line with year-end levels. The business finance loan has reduced to £0.2m (31 August 2025: £0.3m) and the Company has no other debt.

Restatement of H1 FY25 Comparative Figures

The H1 FY25 comparative figures presented in this Interim Report have been restated to correct material bookkeeping errors identified in June 2025. Those errors principally affected the recognition and classification of revenue and cost of sales in the unaudited interim financial statements for the six months ended 28 February 2025, resulting in overstatements of both revenue and operating costs as originally reported. Cash balances and cash movements were not materially affected.

The effect of the restatement is to reduce previously reported H1 FY25 revenue from £3.8m to £2.5m, and to reduce previously reported H1 FY25 operating profit from £0.6m to £0.06m. Gross profit reduces from £1.3m to £0.7m, consistent with the restated revenue and cost of sales figures.

These corrections have a bearing on the year-on-year comparisons presented in this report and readers are encouraged to review Note 12, which sets out the full reconciliation of the restated figures together with an explanation of each category of adjustment and the remedial actions taken by the Board.

Rob Shepherd
Finance Director
27 May 2026

Statement of Comprehensive Income

For the six months ended 28 February 2026 (unaudited)

	H1 FY26 Unaudited £	H1 FY25 Unaudited Restated £	FY25 Audited £
Revenue	**2,207,761**	**2,508,240**	**4,069,444**
Cost of sales	(1,518,371)	(1,818,939)	(3,118,758)
Gross profit	**689,390**	**689,301**	**950,686**
Administrative expenses	(1,649,591)	(575,659)	(2,217,490)
Exceptional items	-	(50,000)	(124,000)
Operating (loss) / profit	**(960,201)**	**63,642**	**(1,390,804)**
Investment income	—	—	374
Finance costs	(46,567)	(123,368)	(164,149)
Impairment of financial assets	—	—	(33,874)
Profit / (Loss) before taxation	**(1,006,768)**	**(59,726)**	**(1,588,453)**
Taxation credit / (charge)	251,692	14,931	205,411
Profit / (Loss) and total comprehensive income	**(755,076)**	**(44,795)**	**(1,383,042)**

Basic loss per share (pence)	1.0	0.4	4.0
Diluted loss per share (pence)	1.0	0.4	3.9

The H1 FY25 comparative figures are unaudited and have been restated. See Note 12.

Statement of Financial Position

As at 28 February 2026 (unaudited)

	28 Feb 2026 Unaudited £	28 Feb 2025 Unaudited Restated £	31 Aug 2025 Audited £
Non-current assets			
Intangible assets	144,041	—	62,041
Property, plant, and equipment	764,832	258,837	763,672
Right-of-use assets	647,532	87,091	388,796
Total non-current assets	**1,556,405**	**345,928**	**1,214,509**
Current assets			
Trade and other receivables	1,134,754	1,056,139	1,185,337
Current tax recoverable	207,124	-	207,124
Cash and cash equivalents	1,773,930	3,290,099	891,563
Other current assets	-	65,796	-
Total current assets	**3,115,808**	**4,412,034**	**2,284,024**
Current liabilities			
Trade and other payables	(659,464)	(693,583)	(884,911)
Current tax payable	-	(205,411)	
Borrowings	(176,135)	(373,394)	(323,056)
Lease liabilities (note 13)	-	-	-
Other current liabilities	(516,058)	(265,626)	(135,800)
Total current liabilities	**(1,351,657)**	**(1,538,014)**	**(1,343,767)**
Net current assets	**1,764,151**	**2,874,020**	**940,257**
Non-current liabilities			
Lease liabilities	(319,837)	(43,215)	(290,754)
Total non-current liabilities	**(319,837)**	**(43,215)**	**(290,754)**
Net assets	**3,000,720**	**3,176,732**	**1,864,012**
Equity			
Called up share capital	239,857	139,623	143,114
Share premium account	5,338,657	3,383,200	3,319,958
Retained earnings	(2,577,794)	(346,091)	(1,599,060)
Total equity	**3,000,720**	**3,176,732**	**1,864,012**

The H1 FY25 comparative figures are unaudited and have been restated. See Note 12.

The interim financial information has been prepared in accordance with the recognition and measurement requirements of UK-adopted International Accounting Standards. As permitted under AIM Rules for Companies, this Interim Report is not required to comply with IAS 34. The financial information is unaudited.

Statement of Changes in Equity

For the six months ended 28 February 2026 (unaudited)

	Share Capital £	Share Premium £	Retained Earnings £	Total Equity £
As at 1 September 2025	**141,114**	**3,383,300**	**(1,599,060)**	**1,927,254**
Loss for the Period	-	-	(755,004)	(755,004)
Issue of shares (net of costs)	96,743	1,955,456	-	2,052,199
Dividends				
Other adjustments (note 14)	-	-	(233,730)	(233,730)
As at 28 February 2026	**239,857**	**5,338,657**	**(2,577,794)**	**3,000,719**

For the six months ended 28 February 2025 (unaudited)

As restated	Share Capital £	Share Premium £	Retained Earnings £	Total Equity £
As at 1 September 2024	**12**	**-**	**47,603**	**47,615**
Loss for the Period	-	-	(44,794)	(44,794)
Issue of shares (net of costs)	139,611	3,383,300	-	3,522,812
Bonus share issue	-	-	(99,996)	(99,996)
Dividends	-	-	(139,000)	(139,000)
Other adjustments (note 14)	-	-	(109,904)	(109,904)
As at 28 February 2025	**139,623**	**3,383,200**	**(346,091)**	**3,176,733**

The interim financial information has been prepared in accordance with the recognition and measurement requirements of UK-adopted International Accounting Standards. As permitted under AIM Rules for Companies, this Interim Report is not required to comply with IAS 34. The H1 FY25 comparative figures are unaudited and have been restated — see Note 12.

Statement of Cash Flows

For the six months ended 28 February 2026 (unaudited)

	H1 FY26 Unaudited £	H1 FY25 Unaudited Restated £	FY25 Audited £
Cash flows from operating activities			
Cash (absorbed by) / generated from operations	(816,151)	355,616	(1,396,087)
Interest paid	-	-	(163,775)
Income taxes paid	-	-	(207,124)
Net cash (outflow) from operating activities	**(816,151)**	**355,616**	**(1,766,986)**
Cash flows from investing activities			
Purchase of intangible assets	(6,000)	2,336	(62,041)
Purchase of property, plant, and equipment	-	(253,239)	(848,282)
Other assets	(81,272)	-	
Net cash used in investing activities	**(87,272)**	**(250,903)**	**(910,323)**
Cash flows from financing activities			
Proceeds from issue of shares	2,052,199	3,522,812	3,363,064
Repayment of business finance loans	(159,693)	(124,566)	(198,710)
Factoring account	-	(62,687)	-
Payment of lease liabilities	(106,717)	(26,260)	(44,305)
Dividends paid	-	(139,000)	(163,625)
Historical adjustments	-	(597,360)	-
Net cash from financing activities	**1,785,790**	**2,572,938**	**2,956,424**
Net increase in cash and cash equivalents	**882,367**	**2,677,651**	**279,115**
Cash at beginning of period	891,563	612,448	612,448
Net cash and cash equivalents at end of period	**1,773,930**	**3,290,099**	**891,563**

The H1 FY25 comparative figures are unaudited and have been restated. See Note 12.

Notes to the Interim Financial Information

1. Basis of Preparation

The financial information contained within this Interim Report has been prepared applying the recognition and measurement requirements of UK-adopted International Accounting Standards (IFRS) as adopted for use in the United Kingdom, consistent with the accounting policies applied in the Company's audited financial statements for the year ended 31 August 2025.

As permitted under the AIM Rules for Companies, this Interim Report has been prepared in accordance with the AIM Rules and is not required to comply with IAS 34 'Interim Financial Reporting'. This Interim Report is presented in Sterling, rounded to the nearest pound.

The financial information for the six months ended 28 February 2026 and the comparative period ended 28 February 2025 is unaudited. The financial information for the year ended 31 August 2025 has been extracted from the audited financial statements, which received an unqualified audit opinion from Azets Audit Services Limited and were approved by the Board on 23 February 2026.

2. Going Concern

The Directors have prepared the interim financial information on a going concern basis. Following the completion of the December 2025 equity fundraise, which raised net proceeds of £2.1m, and taking into account the Company's revenue visibility of £5.7m for FY26 and its active pipeline of bid opportunities, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. The Company anticipates becoming cash flow positive by summer 2027.

3. Revenue

All revenue is derived from service contracts, predominantly time-and-materials and milestone-based engineering consultancy agreements with UK defence and public sector clients. Revenue is recognised in accordance with IFRS 15 when the Company satisfies its performance obligations.

Revenue by type	H1 FY26 £	H1 FY25 Restated £
Service contracts – effort based	512,695	1,189,433
Service contracts – outcome based	1,634,323	1,298,506
Other	60,653	20,301
Revenue	**2,207,761**	**2,508,240**

4. Exceptional Items

There were no exceptional items in the Period. The H1 FY25 comparative includes an exceptional charge of £50,000 relating to employment settlement costs; the full year FY25 exceptional charge was £124,000. This matter is now fully resolved and no further obligations remain.

5. Finance Costs

	H1 FY26 £	H1 FY25 Restated £	FY25 £
Interest on business finance loan	46,567	63,922	136,608
Invoice discounting charges	-	59,446	—
Other interest charges	-	-	27,541
Total finance costs	46,567	123,368	164,149

6. Income Tax

The income tax credit for the six months ended 28 February 2026 recognised in the condensed consolidated statement of profit or loss comprises the following:

	£
Current tax	-
Deferred tax — recognition of deferred tax asset on trading losses	251,692
Total tax credit for the period	**251,692**

Current tax

No current tax charge or credit arises in the period. RC Fornax has generated a taxable loss for the six months ended 28 February 2026 and accordingly no current income tax liability is due.

Deferred tax

A deferred tax asset has been recognised in accordance with IAS 12 Income Taxes in respect of unused tax losses arising in the period. The asset represents the expected future tax benefit of those losses when utilised against taxable profits in subsequent periods.

The deferred tax asset has been measured at the tax rate of 25%, being the rate enacted or substantively enacted at the balance sheet date and expected to apply when the deferred tax asset is realised.

Under IAS 12, a deferred tax asset shall be recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. The Directors have assessed the recoverability of the deferred tax asset and are satisfied that this recognition criterion is met. This assessment is supported by the Group's approved forecasts and financial projections, which demonstrate a return to profitability in the near term.

Movement in deferred tax asset:

	£
At 1 September 2025	-
Recognised in the Period – trading losses	251,692
At 28 February 2026	**251,692**

Unrecognised deferred tax

There are no deferred tax liabilities and no unused tax losses or deductible temporary differences for which a deferred tax asset has not been recognised at the balance sheet date.

Effective tax rate

The income tax credit for the period has been calculated using the standard rate of UK corporation tax as follows:

	£
Loss before tax	(1,006,768)
Tax at standard UK rate of 25%	251,692

	£
Deferred tax not previously recognised	-
Other adjustments	-
Total tax credit for the Period	**251,692**

7. Loss Per Share

Basic and diluted loss per share is calculated as follows:

	H1 FY26	H1 FY25 Restated	FY25
Loss for the period (£)	(755,076)	(44,794)	(1,383,042)
Weighted average shares (basic)	74,874,280	12,249,026	34,289,358
Basic loss per share (pence)	1.0	0.4	4.0
Weighted average shares (diluted)	76,209,804	12,391,752	34,293,194
Diluted loss per share (pence)	1.0	0.4	3.9

8. Post Balance Sheet Events

There are no post balance sheet events to report beyond those described elsewhere in this Interim Report.

9. Share Capital

As at 28 February 2026, the Company had 95,942,718 ordinary shares of £0.0025 each in issue (31 August 2025: 57,245,587 ordinary shares). During the Period, 38,697,131 new ordinary shares were issued at 6 pence per share pursuant to the placing completed in December 2025, with admission to AIM becoming effective on 8 December 2025. The new ordinary shares rank pari passu with the existing ordinary shares. No shares are held in treasury.

10. Related Party Transactions

There were no related party transactions during the Period other than remuneration paid to Directors in their capacity as employees and Non-Executive Directors of the Company, as disclosed in the Annual Report for the year ended 31 August 2025.

11. Principal Risks & Uncertainties

The principal risks and uncertainties facing the Company for the remainder of FY26 are consistent with those set out in the Annual Report for the year ended 31 August 2025, principally: defence procurement timing and budget changes (including the timing of the Defence Investment Plan); contract delivery and execution; talent attraction and security clearances; cyber and information security; and liquidity and working capital. The Board continues to monitor all principal risks closely and no new principal risks have been identified during the Period.

12. Restatement of H1 FY25 Comparative Figures

During June 2025, the Company identified material bookkeeping errors affecting the unaudited interim financial statements for the six months ended 28 February 2025 (the **"Previously Published H1 FY25 Figures"**). These errors related primarily to the incorrect recognition and classification of certain revenue and cost balances. As a result, revenue and operating costs for the prior interim period were materially overstated whilst cash balances were understated. The comparative interim information presented in this Interim Report has therefore been restated to reflect the corrected accounting treatment.

Revenue

The overstatement of revenue in the Previously Published H1 FY25 Figures resulted from errors in the recognition and classification of certain revenue items. In particular, certain invoices generated for internal forecasting purposes were incorrectly included within reported revenue, despite not representing invoiced sales for the period. In addition, cash receipts received under the Company's invoice discounting facility were incorrectly recognised as revenue, rather than being treated as financing-related receipts linked to underlying trade receivables that had already been recognised as revenue. These errors did not affect the Company's cash position. The comparative interim information has been restated to correct these matters.

Cost of Sales

The overstatement of cost of sales in the Previously Published H1 FY25 Figures resulted from errors in the recognition of certain cost items. Specifically, amounts recorded for internal planning purposes were incorrectly treated as incurred costs and included within cost of sales, despite not representing supplier invoices received or costs incurred during the period. This resulted in a material overstatement of cost of sales in the interim report. The comparative interim information has been restated to correct these errors.

In addition, certain supplier invoices were incorrectly classified as administrative expenses rather than cost of sales in the Previously Published H1 FY25 Figures. This misclassification resulted in cost of sales being understated and administrative expenses being overstated. The restatement reflects the correct allocation of these costs in accordance with their nature and the activities to which they relate. This classification error did not affect the Company's total operating costs or cash position but did impact the presentation of gross margin and the split between operating cost categories.

Administrative Expenses

As described above, certain supplier invoices were incorrectly classified as administrative expenses rather than cost of sales in the Previously Published H1 FY25 Figures. The restatement corrects this misclassification, reducing administrative expenses and increasing cost of sales accordingly.

Finance Costs

Certain amounts relating to interest under the Company's loan facility were incorrectly classified in the Previously Published H1 FY25 Figures. These amounts have been reclassified to finance costs in the income statement as part of the restatement of the comparative information.

Factoring Facilities

The Company operated two invoice factoring facilities during the period covered by the H1 FY25 comparative figures. The use of these facilities was incorrectly accounted for, resulting in the inclusion of multiple manual journal entries to address the resulting misalignments, principally in respect of trade receivables. The legacy factoring account records are incomplete, which has necessitated the inclusion of a historical adjustment within the cash flow statement.

Remedial Actions Taken

Following the identification of these errors in June 2025, the Board and Audit Committee took a number of remedial actions to strengthen the Company’s financial controls and governance. The Finance Director assumed direct responsibility for bookkeeping with effect from early July 2025; the executive previously responsible for that function left the business around the same time. Richard Smith was appointed as Independent Non-Executive Director and Chair of the Audit Committee in September 2025, replacing the previous incumbent, bringing with him significant financial and governance experience in the defence sector. David Hitchcock was appointed as Non-Executive Chair of the Board in January 2026, replacing Mark Fahy. A dedicated Finance Manager was recruited and joined the business in March 2026, further reinforcing the finance function.

In addition, the Company is currently implementing a new accounting system, commencing with the audited financial statements for the year ended 31 August 2025, which is expected to eliminate the need for manual adjustments of this nature and materially strengthen the integrity of the Company's financial records.

The Board is satisfied that these measures have materially strengthened the Company's internal controls and financial reporting processes.

Summary — Impact on H1 FY25 Comparative Income Statement

The table below reconciles the previously reported H1 FY25 P&L to the restated figures presented in this Interim Report.

	As previously reported £	Restatement adjustments £	As restated £
Revenue	**3,839,979**	**(1,331,739)**	**2,508,240**
Cost of sales	(2,568,075)	749,137	(1,818,939)
Gross profit	**1,271,904**	**(582,603)**	**689,301**
Administrative expenses	(711,349)	135,690	(575,659)
Exceptional items	—	(50,000)	(50,000)
Operating profit / (loss)	**560,555**	**(496,912)**	**63,642**
Finance costs	—	(123,368)	(123,368)
Profit / (loss) before taxation	**560,555**	**(620,280)**	**(59,726)**
(Loss) for the period	459,810	(504,604)	(44,794)

Summary — Impact on H1 FY25 Comparative Balance Sheet

The table below reconciles the previously reported H1 FY25 balance sheet to the restated figures presented in this Interim Report.

	As previously reported £	Restatement adjustments £	As restated £
Total non-current assets	**146,380**	**184,617**	**345,928**
Total current assets	**5,905,501**	**(1,493,468)**	**4,412,034**
Total current liabilities	**(2,243,994)**	**(705,981)**	**(1,538,014)**
Net current assets	**3,661,507**	**(787,487)**	**2,874,020**
Total non-current liabilities	**—**	**(43,215)**	**(43,215)**
Net assets	**3,807,887**	**(631,154)**	**3,176,733**
Total equity	**3,807,887**	**(631,154)**	**3,176,733**

Summary — Impact on H1 FY25 Comparative Cash Flow Statement

Cash balances and cash movements were not affected by the restatements. The table below is presented for completeness.

	As previously reported £	Restatement adjustments £	As restated £
Net cash outflow from operating activities	(439,812)	795,428	355,616
Net cash used in investing activities	**(138,446)**	**(112,457)**	**(250,903)**
Net cash from financing activities	**3,002,000**	**(429,062)**	**2,572,938**
Net increase in cash	2,384,402	293,249	2,677,651
Cash at beginning of period	612,448	-	612,448
Gross cash at end of period	2,996,850	293,249	3,290,099

Summary — Impact on H1 FY25 Statement of Changes in Equity

As previously reported	Share Capital £000	Share Premium £000	Retained Earnings £000	Total Equity £000
As at 1 September 2024	**-**	**-**	**108**	**108**
Profit for the Period	-	-	460	460
Issue of shares (net of costs)	140	3,273	-	3,413
Dividend	-	-	(173)	(173)
As at 28 February 2025	**140**	**3,273**	**395**	**3,808**

As restated	Share Capital £	Share Premium £	Retained Earnings £	Total Equity £
As at 1 September 2024	**12**	**-**	**47,603**	**47,615**
Profit for the Period	-	-	(39,586)	(39,586)
Issue of shares (net of costs)	39,615	3,312,944	-	3,352,559
Bonus share issue	99,996	-	(99,996)	-
Dividend	-	-	(163,625)	(163,625)
As at 28 February 2025	**139,623**	**3,312,944**	**(255,604)**	**3,196,963**

13. Accounting for Leases

The Company adopted IFRS 16 Leases for the first time in connection with the preparation of the audited financial statements for the year ended 31 August 2025. Accordingly, right-of-use assets and corresponding lease liabilities have been recognised on the balance sheet from that date. The allocation of lease liabilities between current and non-current portions has not been separately calculated for the six months ended 28 February 2026 or for the comparative period ended 28 February 2025, as this analysis has not been practicable to complete for these interim periods. The current and non-current split will be determined as part of the FY26 audit process and will be reflected in the audited financial statements for the year ended 31 August 2026.

14. Retained Earnings

The Retained Earnings balance as presented in the Statement of Changes in Equity reflects a number of legacy manual journal adjustments in which Retained Earnings was used as a residual entry. It has not been practicable to fully reconcile the composition of these adjustments. Accordingly, a compensating entry has been included within the Statement of Changes in Equity to ensure that the opening and closing Retained Earnings positions are consistent with the correct Share Capital and Share Premium figures, which have been verified and are stated accurately. The net assets position is not affected by this presentation.

Company Information & Advisers

Company	RC Fornax plc
AIM ticker	RCFX
Company number	12795371
Registered office	220 Aztec Studios, Park Avenue, Almondsbury, Bristol, BS32 4SY
Website	www.rcfornax.co.uk
Directors	David Hitchcock (Independent Non-Executive Chair)
	Paul Reeves (Chief Executive Officer)
	Rob Shepherd (Finance Director & Company Secretary)
	Chris Brooks (Executive Director)
	Richard Smith (Independent Non-Executive Director)
	Andrew McInerney (Independent Non-Executive Director)
Nominated Adviser	Strand Hanson Limited, 26 Mount Row, London, W1K 3SQ
Corporate Broker	Cavendish Capital Markets Limited, One Bartholomew Close, London, EC1A 7BL
Auditor	Azets Audit Services Limited, One Temple Quay, Temple Back, Bristol, BS1 6DZ
Legal Adviser	Reed Smith, 1 Blossom Yard, London, E1 6RS
Financial PR	BlytheRay, 4-5 Castle Court, London, EC3V 9DL
Registrars	Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX

Financial Calendar

Event	Expected Date
Full Year FY26 results announcement	November 2026
FY26 Annual Report & Accounts	January 2026
Annual General Meeting	February 2026