

17 April 2025

**RC FORNAX PLC**  
**("RC Fornax", the "Company" or the "Group")**

**UNAUDITED HALF YEAR RESULTS**  
**FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025**

*Performance in line with expectations*  
*Positive outlook for second half of 2025*

RC Fornax (AIM:RCFX), the UK-based consultancy delivering high-impact engineering solutions to the defence sector's most critical platforms - accredited, in-demand, and built to scale - today announces its unaudited half year results for the six months ended 28 February 2025 ("**HY25**", "**Half Year**" or the "**Period**").

**Summary**

- Revenue of £3.8 million in line with the Board's expectations, representing growth of 8% compared to the half year ended 29 February 2024 and 30% compared to the half year ended 31 August 2024.
- Gross profit of £1.3 million, up 17% compared to the half year ended 29 February 2024.
- Gross margin increased to 33% from 30% in the half year ended 29 February 2024 and 25% for the Full Year 2024.
- Profit before tax of £0.6 million, up 8% compared to the half year ended 29 February 2024.
- Successful admission to the AIM Market of the London Stock Exchange (**AIM**) on 5 February 2025, raising over £5 million in new funds from several high-quality institutional investors.

**Outlook**

- Strong demand for defence engineering services due to increased investment in the defence industry due to the macro backdrop. Based on the UK Government's commitment to increase defence spending to 2.5% of GDP by 2027 and the current Office for Budget Responsibility's forecast GDP, this equates to an increase in spending of some £13.4 billion.
- New contracts worth £2.3 million have been booked as anticipated revenue for the financial year ending 31 August 2025 ("**FY2025**"). The current pipeline underpins the Board's confidence in meeting current market expectations for FY2025.
- RC Fornax's new headquarters in Bristol opened on 16 April 2025 and is designed to meet the requirements for a Facility Security Clearance ("**FSC**") from the Ministry of Defence.
- Hiring of new colleagues is continuing as planned with significant interest in the Company and its strategy. Current FTEs stand at 17 versus 8 at the start of the Period with key hires focused on business development, technology and innovation.
- The project to automate statement of work (renamed "**Smartscope**") continues at pace, with a minimum viable product ("**MVP**") expected to be ready for client testing in the third quarter,
- Client base continues to grow with a new framework agreement being signed with a Tier 1 defence company and a continued effort by the Company to grow the number of SMEs utilising its services.

**Paul Reeves, Chief Executive of RC Fornax, commented:**

*"I'm extremely proud of how RC Fornax and our team have performed during this pivotal period. Amid a significant phase of transition, we have not only delivered on our targets but have also successfully completed our IPO-a defining milestone in the Company's history. Our focus is now firmly on accelerating growth and delivering long-term value for all stakeholders."*

*"The recent opening of our Bristol office, alongside key hires, puts us in a strong position to take advantage of the UK Government's renewed commitment to defence spending. This increased investment is a welcome step for national security and the armed forces, and one that aligns closely with RC Fornax's mission."*

*"In line with this, we expect increased demand for the specialist expertise of our engineering associates. One of RC Fornax's core strengths is the flexibility and breadth of our talent pool-our engineers are well-equipped to support projects across all platforms and technologies, enabling us to respond quickly and effectively wherever defence spending is directed. We intend to deploy this flexibility to leverage the Government's efforts to simplify procurement and support greater SME involvement in defence contracts. We therefore expect to benefit from these initiatives in the second half of the financial year and beyond."*

*"Additionally, the accelerated deployment of the Smartscope MVP is a positive development and we're excited to begin testing this functionality with our clients that continue to experience difficulty in defining work packages, significantly inhibiting their ability to outsource effectively."*

*"We are committed to deepening our collaboration with Government and industry partners, as we continue to play our part in ensuring a secure and prosperous future for the UK."*

#### **HY25 Update**

Following the successful admission to trading of the Company's shares on AIM, RC Fornax delivered results in line with expectations for HY25. Revenue of £3.8 million (HY24: £3.6 million) was generated from contracts with six customers, four of which are in the top 10 supplier list, by value, to the Ministry of Defence and one of which is the UK subsidiary of an international group. Gross profit for HY25 was £1.3 million (HY24: £1.1 million), reflecting a margin of 33%, which has increased from 25% for the 12 months to 31 August 2024.

Notwithstanding higher administrative costs before depreciation of £0.7 million (HY24: £0.5 million) due to a higher headcount plus increased sales and marketing activity, lower finance charges of £0.04 million (HY24: £0.09 million) led to profit before tax of £0.6 million, up 8% compared to the half year ended 29 February 2024.

During the Period, RC Fornax worked in an array of environments within the aerospace and defence industry, contributing to ongoing programmes within the Land, Air and Maritime domains. One notable success was guiding a key client to transition from traditional time and materials solutions to outcome-based services, a model the Company is replicating across several existing and new customers. RC Fornax expects this model to continue to positively impact margins.

The Company's artificial intelligence statement of work generator has been renamed SmartScope and development continues at pace, with full requirements definition and conceptual design ongoing. The Company expects to deliver a minimum viable product ready for client testing in July 2025.

#### **Outlook for Full Year 2025**

RC Fornax, which is supported by its pool of approximately 4,000 skilled associates, continues to see strong demand for defence engineering services, as the drivers for increased investment in defence have amplified during the year, especially in relation to the ongoing conflicts in Ukraine and the Middle East.

New contracts worth £2.3 million have been booked as anticipated revenue in FY2025. Together with the current and expected pipeline being progressed by the recently recruited business development, technology and innovation teams, the Board remains confident that the Company is on track to meet market expectations for the full year.

Furthermore, many opportunities for outperformance and future upside exist. In line with this, the Company has signed a

new framework agreement with a Tier 1 defence company and has agreed terms with another new client. Advanced discussions also continue in an effort to support the growth in the number of SMEs utilising RC Fornax's services which will serve to further reduce client concentration.

Additionally, the Company's new Headquarters in Bristol, which is designed to meet the requirements for a FSC from the Ministry of Defence, opened on 16 April 2025. This will enable RC Fornax to meet and maintain the required protective security controls to safeguard assets classified at SECRET and above.

#### **Investor Presentation**

Paul Reeves (Chief Executive) and Rob Shepherd (CFO) will provide a live presentation and Q&A relating to the interim results via the SparkLive platform on 17 April 2025 at 10:00 BST.

The webinar is open to all existing and potential shareholders - please register in advance by visiting [RC Fornax Interim Results Presentation | SparkLive | LSEG](#) Questions may be submitted in advance by clicking "Ask a question" on the event page.

For more information, please visit [www.rcfornax.co.uk](http://www.rcfornax.co.uk) or contact:

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#### **Notes to Editors**

RC Fornax PLC is an AIM-quoted company providing outcome-based engineering solutions to the UK defence industry. It was founded in 2021 by RAF veterans Paul Reeves and Daniel Clark who, having also worked for a number of years as defence contractors, are passionate about improving project efficiencies and driving value for money in the sector.

#### **Chief Executive's statement**

I am delighted with the performance of the Company and our team during this period, during which we met our targets while completing an IPO that marked a seminal moment in RC Fornax's development. We are now fully focused on building our business for the benefit of all our stakeholders.

As the financial results show, the Period was one of transition as we progressed towards completing the IPO, including:

- Increasing the number of employees (from eight at the start of the period to 15 at the end, now 17) strengthening our team across the board, with a natural but significant increase in personnel costs; and
- Reducing the use of our invoice financing facility resulting in a significant decrease in factoring charges, albeit resulting in a significant increase in trade receivables (reported as £2.9 million at the end of the Period) as we migrate our customers onto our own invoice payment facilities. We expect this number to reduce significantly over the remainder of the year and for our debtor days to come down as a result. Importantly, we are confident of full recovery of this figure over the coming six months due to the profile of our customers.

To maximise the benefits of the projected increase in defence spending, we anticipate increased reliance on the expertise and dedication of our highly skilled engineering associates. This is in line with the Government's efforts to streamline procurement processes and encourage the increased participation of SMEs in defence contracts. We expect to benefit from these initiatives in the remainder of our financial year and beyond.

I and members of the RC Fornax team attended [DPRTE2025](#) in Farnborough, alongside other industry leaders, during the Period. DPRTE is the UK's leading defence procurement and supply chain event. It was a successful and well-attended event, and I was pleased to see the considerable interest from current and future clients in how we provide high-impact solutions that drive efficiency and deliver results in the defence sector.

As we move into the second half of the financial year, we look forward to continued collaboration with the UK Government and our industry partners to ensure a secure and prosperous future for our nation.

#### **Key financials**

For the six months ended 28 February 2025, the Company's revenue was £3.8 million (2024: £3.6 million).

The Company's gross profit in the period was £1.3 million (2024: £1.1 million). Consequently, notwithstanding increased administrative expenses of £0.7 million (2024: £0.5 million), operating profit was broadly unchanged at £0.6 million (2024: £0.6 million).

The cash outflow from operations of £0.8 million (2024: inflow of £0.5 million) was due primarily to the Company's transition during the Period to direct invoicing which has led to delays in payments being received.

During the Period, the Company successfully admitted its shares to trading on AIM alongside a simultaneous placing of new shares with institutional investors resulting in a net inflow of cash of £3.4 million.

Prior to the IPO, the Company made payments in respect of dividends of £0.1 million (2024: £0.3 million) resulting in net funds at 28 February 2025 of £3.0 million (31 August 2024: net funds of £0.6 million).

#### **Outlook**

RC Fornax, which is supported by its pool of approximately 4,000 skilled associates, continues to see strong demand for defence engineering services, as the drivers for increased investment in defence have amplified during the year, especially in relation to the ongoing conflicts in Ukraine and the Middle East.

New contracts worth £2.3 million have been booked as anticipated revenue in FY2025. Together with the current and expected pipeline, the Board remains confident that the Company is on track to meet market expectations for the full year.

Furthermore, many opportunities for delivering ahead of expectations exist. In line with this, the Company has signed a new framework agreement with a Tier 1 defence company and has agreed terms with another new client. Advanced discussions also continue in an effort to support the growth in the number of SMEs utilising RC Fornax's services which will serve to further reduce client concentration.

Additionally, the Company's new Headquarters in Bristol, which is designed to meet the requirements for a FSC from the Ministry of Defence, opened on 16 April 2025, enabling the Company to meet and deliver to the specified legislative requirements.

Ministry of Defence, opened on 16 April 2025, enabling the Company to meet and maintain the required protective security controls to safeguard assets classified at SECRET and above.

All in all, while I am rightly proud of the progress we have made over the last six months, I am just as excited about the opportunities that present themselves for the rest of the financial year and beyond.

**Paul Reeves**

**Chief Executive Officer**

**17 April 2025**

**Consolidated income statement  
for the six months ended 28 February 2025**

	Six months ended 28 February 2025	Six months ended 29 February 2024
	Unaudited £'000	Unaudited £'000
<b>Revenue</b>	<b>3,840</b>	3,555
Cost of sales	(2,568)	(2,472)
<b>Gross profit</b>	<b>1,272</b>	1,084
Total administrative expenses	(672)	(471)
<b>Operating profit</b>	<b>600</b>	<b>613</b>
Finance charges	(39)	(93)
<b>Profit before tax</b>	<b>561</b>	<b>520</b>
Income tax expense	(101)	(93)
<b>Profit for the period</b>	<b>460</b>	426

The income tax charge for the six months ended 28 February 2025 and 29 February 2024 are based upon the estimated charges for the full years.

Earnings per share	Note	Pence	Pence
Basic	1	3.7	n/m
Diluted		3.1	n/m

**Consolidated statement of changes in equity  
for the six months ended 28 February 2025**

	Share capital	Share premium	Retained earnings	Total
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	capital	Premium	earnings	equity
	£'000	£'000	£'000	£'000
<b>As at 1 September 2024</b>	-	-	108	108
Profit for the period		-	460	460
Issue of shares (net of costs)	140	<b>3,273</b>	-	3,413
Dividend	-	-	(173)	(173)
<b>As at 28 February 2025</b>	<b>140</b>	<b>3,273</b>	<b>395</b>	<b>3,808</b>

#### Consolidated statement of financial position

As at 28 February 2025

	28 February 2025	29 February 2024
	Unaudited	Unaudited
	£'000	£'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	146	16
	<b>146</b>	<b>16</b>
<b>Current assets</b>		
Trade and other receivables	2,889	(1)
Contract assets	20	37
Cash and cash equivalents	2,997	799
	<b>5,906</b>	<b>835</b>
<b>Total assets</b>	<b>6,052</b>	<b>851</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,929	488
Loans and borrowings	315	92
	<b>2,244</b>	<b>581</b>
<b>Total liabilities</b>	<b>2,244</b>	<b>581</b>
<b>Equity</b>		
Share Capital	140	-
Share Premium	3,273	
Retained earnings	395	270
<b>Total equity</b>	<b>3,808</b>	<b>270</b>
<b>Total equity and liabilities</b>	<b>6,052</b>	<b>851</b>

#### Consolidated cash flow statement

for the six months ended 28 February 2025

Six months ended

Six months ended

	28 February 2025	29 February 2024
	Unaudited	Unaudited
	£'000	£'000
Notes		
<b>Profit for the period</b>	<b>460</b>	<b>426</b>
<i>Adjustments for:</i>		
Finance expense	39	93
(Increase)/decrease in trade receivables	(1,918)	108
(Increase)/decrease in inventory	(124)	-
Decrease/(increase) in other receivables	-	-
(Increase)/decrease in contract assets	-	17
Increase in trade and other payables	1,103	60
<b>Cash generated by operations</b>	<b>(440)</b>	<b>705</b>
Interest paid on loans and borrowings	(39)	(93)
Income taxes paid	-	-
<b>Net cash flows from operating activities</b>	<b>(479)</b>	<b>612</b>
<b>Cash flow from investing activities</b>		
Interest received	-	-
Purchases of property, plant and equipment	(139)	(65)
<b>Net cash flows used in investing activities</b>	<b>(139)</b>	<b>(65)</b>
<b>Cash flow from financing activities</b>		
Dividends paid	(173)	(327)
Drawdown of loans and borrowings	-	-
Repayment of loans and borrowings	(237)	(70)
Drawdown of other loans	-	-
(Repayment)/receipt of Directors' loans	-	-
Repayment of lease liabilities	-	-
Issue of new shares (net of costs)	3,413	-
<b>Net cash (used)/from financing</b>	<b>3,002</b>	<b>(398)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,384</b>	<b>214</b>
Cash and equivalents at beginning of period	613	585
Cash and cash equivalents at end of period	2,997	799

**Notes to the interim report**  
**for the six months ended 28 February 2025**

**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 expected to apply at 31 August 2025. As permitted, this Interim Report has been prepared in accordance with the AIM Rules for Companies and is not required to comply with IAS 34 'Interim Financial Reporting'. This Interim Report is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

**Going concern**

The Company meets its day-to-day working capital requirements through own resources. Its forecasts and projections,

taking account of reasonably possible changes in trading performance for a period of at least 12 months from the date of signing this Interim Report, show that the Company should be able to operate within the level of its current resources.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this Interim Report.

#### **(A) Statutory accounts**

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 August 2024. Crowe UK LLP has reported on these accounts; its report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis, or material uncertainty, without qualifying its report and (iii) did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006. In accordance with Section 434 of the Companies Act 2006, the unaudited results do not constitute statutory financial statements of the Company. The six months results for both years are unaudited.

#### **(B) Statement of compliance**

The accounting policies applied by the Company in this Interim Report are consistent with its Consolidated financial statements for the year ended 31 August 2024 and are in accordance with UK-adopted International Accounting Standards. The accounting policies have been applied consistently to all periods presented in the Consolidated financial statements of this Interim Report.

#### **Critical accounting estimates and judgements**

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities.

Estimates and judgements as applied to items, including goodwill, revenue recognition, recoverability of trade and other receivables, provisions and taxation have not materially changed since the year end.

The Interim Report was approved by the Board for issue on 16 April 2025.

**The chief operating decision maker as defined by IFRS 8 has been identified as the Board.**

#### **1. Earnings per share**

The earnings per share are calculated as follows:

	Six months ended 28 February 2025 Unaudited £'000	Six months ended 29 February 2024 Unaudited £'000	Year ended 31 August 2024 Audited £'000
	Number	Number	Number
<b>Weighted average number of shares:</b>			
For the purpose of basic earnings per share	12,492,272	1,114	1,114
Warrants	2,513,221	-	-
For the purpose of diluted earnings per share	15,005,493	1,114	1,114



Given 15,846,153 new shares were issued on completion of the Initial Public Offering on 5 February, 2025, (1) the Weighted Average Number of shares during the Period is not fully representative of the ongoing position and (2) comparison with previous periods is not meaningful.

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