

**Annual Report and  
Financial Statements for the year ended 30 September 2025  
For  
REACT Group PLC**

**Company Number: 05454010**

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## FINANCIAL HIGHLIGHTS



<sup>1</sup> *Adjusted EBITDA represents earnings before separately disclosed acquisition, impairment of intangibles, share-based payments and other restructuring costs (as well as before interest, tax, depreciation and amortisation). This is a non-IFRS measure.*

## Highlights

### Performance

- **£24.9m revenue** (+20.3%)
- **£3.1m adjusted EBITDA** (+29.2%)
- **32.1% gross margin** (up 450-bps from 27.6%)
- **93% recurring revenue**, supporting earnings visibility

### Operational Strength

- Strong H2 rebound following H1 slowdown
- Improved business mix with disciplined cost control
- Robust cash conversion enabling reinvestment & resilience

### Commercial Wins

- Major new & renewed across NHS, retail and industry sectors
- National accounts secured with **The Works, BP Forecourts & H&M**
- Multi-year industrial wins including **Danatrol, Flexi Coventry & Haldex**
- Infrastructure clients added: Homes England & Smart Managed Solutions

### Strategic Progress

- Project Sparkle fully embedded, delivering real-time operational visibility
- Strengthened leadership driving performance & scalable growth
- Pump division launched, expanding technical capability & cross sell potential
- Digital platform positioned to scale nationwide window-cleaning operations
- Acquisition of 24Hr Aquaflow completed in October, enhancing technical capability and expanding Group service breadth

### Growth Platform

- Sustained demand for essential reactive & planned services
- Expanding cross-sell & upsell opportunities across the Group
- Active pipeline of high-quality acquisition targets aligned with strategy

### Outlook

- Encouraging early trading in the new financial year
- Macroeconomic headwinds easing, with improving customer confidence

# REACT Group PLC

## Introduction

REACT Group is a specialist provider of essential support services to the UK commercial facilities management sector, operating across four divisions: drainage, plumbing and pump maintenance; commercial window cleaning; specialist cleaning; and emergency decontamination, supported by a regional soft-FM and contract cleaning business in the Midlands. The Group operates extensively across the UK, focusing on non-discretionary, technically demanding and time-critical services that protect customers' operations and the presentation of their brands.

Our drainage, plumbing and pump maintenance division continues to expand, driven by sustained demand for technically skilled, compliance-led services that keep critical infrastructure functioning. Alongside this, our commercial window cleaning business provides nationwide coverage, supporting major high-street retailers, shopping centres and large multi-site portfolios with consistent quality and operational control. These services play a visible role in protecting and enhancing customer-facing brands, where presentation standards directly influence footfall, customer perception and commercial performance.

These strengths are complemented by our specialist cleaning and emergency response operations, which also operate nationally and are trusted to manage complex, high-value and sensitive environments. Our Midlands soft-FM business adds further depth to the Group, providing reliable day-to-day cleaning services that support recurring revenue and long-term customer relationships.

Together, these capabilities create a differentiated platform in a fragmented market. Few providers combine specialist expertise, national reach and multi-disciplinary capability in a single, dependable solution.

The Group has delivered sustained growth over the past six years through strong organic performance and strategically important acquisitions. Our model is scalable, supported by a high proportion of contracted, recurring and reoccurring revenue, and underpinned by disciplined cash generation and profitability - providing resilience and visibility across market cycles.

Our purpose is clear: to maintain, protect and rapidly return our customers' assets to safe, clean, fully operational use, while safeguarding the quality, presentation and reputation of their brands. Whether resolving a drainage failure, restoring access to commercial real estate, delivering routine soft-FM services or responding to a disruptive incident, our teams minimise downtime and protect customer trust.

The value of our work is tangible. The operational and reputational cost of a closed hospital ward, an inaccessible school classroom, a disrupted retail complex or a grounded train is significant. Equally, poorly maintained, dirty or contaminated facilities - or neglected windows on the high street - can materially impact brand equity. Our services mitigate these risks, supporting strong margins and long-term customer relationships.

Our strategy remains focused on enhancing the value of our specialist services, strengthening the operational and financial foundations of the Group and maintaining a high-quality earnings profile. We prioritise high-margin, essential service lines, long-term contracted and recurring income, and robust cash conversion, positioning the business for sustainable, long-term growth.

# **REACT Group PLC**

## **Executive Chairman's Statement For the year ended 30 September 2025**

It gives me great pleasure to present the Chairman's Statement for the year ended 30th September 2025. This has been a year of meaningful progress for REACT Group plc, delivered against a backdrop of economic uncertainty and continued cost pressures across the sector. The Group has remained disciplined, resilient and focused on its strategic priorities, resulting in another year of strong financial and operational performance.

The Board is encouraged by the momentum achieved across all divisions, the continued strengthening of our operational platform and the clear progress made in enhancing the quality and visibility of earnings. These developments reflect the effectiveness of our strategy and the commitment of our people, and they position the Group well as we enter the new financial year.

### **Performance Overview**

The year under review saw the Group deliver a robust financial performance, with revenue increasing by 20% to £24.9m and Adjusted EBITDA rising by 27% to £3.1m. This progress was achieved despite a challenging macroeconomic backdrop characterised by inflationary pressures, supply-chain disruption and increases to statutory wage levels.

These results underline the strength of our business model, which is anchored in high-value, specialist services delivered through long-term, recurring customer relationships. Contracted and recurring revenue reached 93%, and gross margin improved to 32.1%, providing the Group with a stronger foundation and enhanced earnings quality as we move into the new financial year.

The acquisition of 24hr Aquaflow on 28 October 2024 contributed positively to this performance, adding further technical capability, strengthening our service breadth and enhancing the Group's ability to capture higher-value, specialist work.

### **Strategic Progress**

The Board is pleased with the strategic progress made during the year. Management continued to advance the Group's priorities, with a particular focus on operational efficiency, digital transformation and capability expansion.

The successful embedding of Project Sparkle, our digital job-management platform, has materially improved operational visibility and efficiency within our commercial window-cleaning operations. This investment provides a scalable foundation for future growth and enhances the Group's ability to deliver high-quality services nationwide.

Strengthening the leadership team in this division, including the appointment of a highly experienced commercial leader shortly before year end, has further enhanced our ability to drive performance and scale the operation effectively.

The integration of 24Hr Aquaflow, acquired early in the financial year, has progressed well. Following the period end, the launch of the Pump Division has further extended our technical capability and positions the Group to capture a greater share of higher-value, specialist work. The business is performing in line with expectations and is already contributing to the Group's operational and commercial momentum.

Separately, the Board sees significant opportunity to build on the digital platform now supporting our nationwide window-cleaning operations, which is expected to unlock further efficiencies and expand cross-selling potential across the Group.

### **Governance and People**

The Board remains committed to maintaining strong governance, effective oversight and a culture that supports high performance. Our governance framework continues to evolve in line with the needs of a growing AIM-listed business, ensuring that decision-making processes, controls and risk-management practices remain robust and proportionate.

# REACT Group PLC

## Executive Chairman's Statement (continued) For the year ended 30 September 2025

Our people remain the driving force behind the Group's success. Their professionalism, resilience and commitment to our customers have been evident throughout the year. On behalf of the Board, I extend my sincere thanks to every member of the team.

### Outlook

While the Board remains mindful of the broader macroeconomic environment, the conditions that affected the first half of the year have eased, and the Group is now operating in a more supportive trading landscape. Early activity in the new financial year has been encouraging, with demand for both reactive and planned services remaining resilient. With the pressures of the prior year continuing to recede, the Board sees a strengthening set of opportunities as we move through the year.

We will continue to take a measured approach to discretionary project work, but the overall backdrop is increasingly aligned with the Group's strategic priorities. Our focus remains on delivering high-quality, essential services, deepening customer relationships and investing in the capabilities that underpin long-term value creation. Alongside this, we are driving further operational efficiencies, expanding cross-selling and upselling initiatives and evaluating high-quality assets that have the potential to enhance the portfolio and support future growth.

The successful acquisition and integration of 24Hr Aquaflow demonstrates the Group's disciplined approach to identifying and onboarding high-quality businesses that strengthen our technical capability and broaden our service offering. The Board continues to see attractive opportunities in the market that align with our strategy and support our ambition to build a scalable, resilient and diversified platform

We are managing cost pressures, including changes to National Insurance and the National Living Wage, with discipline and agility, ensuring our core services remain resilient and competitively positioned. With strengthened operational foundations, a clear strategy and the commitment of our people and customers, the Group enters the new financial year with a solid platform for sustainable progress. The Board looks ahead with measured confidence.

The CEO's Statement that follows provides a detailed review of our operational performance and the progress made against our strategic priorities during the year.



**Mark Braund**  
Chairman  
5 February 2026

<sup>1</sup> Adjusted EBITDA represents earnings before separately disclosed acquisition, impairment of intangibles, share-based payments and other restructuring costs (as well as before interest, tax, depreciation and amortisation). This is a non-IFRS measure.

# REACT Group PLC

## Chief Executive Officer's Report and Strategic Review

### For the year ended 30 September 2025

Building on the strategic progress outlined in the Chairman's Statement, the Group delivered a strong operational performance during the year. REACT Group achieved meaningful advances across all financial and operational metrics for the year ended 30th September 2025. Revenue increased by 20% to £24.9m (2024: £20.7m), while Adjusted EBITDA grew by 27% to £3.1m (2024: £2.4m). This performance was delivered despite a challenging macroeconomic backdrop characterised by inflationary pressures, supply-chain disruption and increases to statutory wage levels.

#### Operational Performance

The first half of the year was shaped by prolonged uncertainty surrounding the Government Budget announced on 30th October 2024, one month into our financial year. The extended period of speculation leading up to the Budget, combined with the immediate aftermath as customers assessed its implications, resulted in delayed decision-making and temporarily moderated our growth trajectory.

During this period, and throughout the remainder of H1, we supported customers navigating heightened cost pressures. In selected cases - most notably within our commercial window cleaning operations - we worked with financially constrained clients to adjust service frequencies in a way that reduced short-term expenditure without materially affecting the quality of outcomes. This approach enabled us to retain relationships, protect margin integrity and reinforce our reputation as a flexible, partnership-oriented provider.

Throughout the year, the Group demonstrated operational discipline, improving revenue, gross margin and Adjusted EBITDA while maintaining robust cash conversion. All four divisions contributed to growth, and the Group delivered a 450-basis-point improvement in overall gross margin to 32.1%, reflecting both the value of our proposition and an improved business mix.

As conditions stabilised in the second half, some customers began to return to their original schedules. While this trend is still emerging, it reflects the resilience of underlying demand and the value placed on the support we provided earlier in the year. This has strengthened customer loyalty and further enhanced the Group's long-term revenue visibility.

#### Commercial Momentum

Our performance continues to be supported by strong customer relationships, high retention and disciplined cross-selling across the Group. Alongside this, we secured a healthy flow of new business wins in all divisions:

- **24Hr Aquaflow**, acquired early in the financial year and now fully integrated into the Group, broadened its diverse client base with Smart Managed Solutions, The Roof Gardens Kensington and Homes England. The business has performed in line with expectations and is contributing positively to Group momentum.
- **LaddersFree**, our nationwide commercial window cleaning business, added national retail brands including The Works, BP Forecourts and H&M, demonstrating its capability to deliver scalable, consistent services across the UK.
- **REACT Specialist Cleaning**, our nationwide specialist cleaning and emergency decontamination division, secured new and renewed contracts with NHS Trusts and construction clients, including Ashleigh (Scotland Builders) and FI Construction.
- **Fidelis**, our Midlands-based soft-FM contract cleaning business, won multi-year agreements with industrial and manufacturing customers such as Danatrol, Flexi Coventry and Haldex, further strengthening its regional footprint.

These wins reflect the Group's growing reputation for reliability, responsiveness and specialist expertise, and they provide a solid platform for continued commercial momentum.

# REACT Group PLC

## Chief Executive Officer's Report and Strategic Review (continued) For the year ended 30 September 2025

### Key Performance Indicators (KPIs)

We monitor a focused set of KPIs to ensure the Group remains aligned with its strategic objectives and continues to deliver sustainable long-term value. These metrics provide clear visibility of performance, support disciplined decision-making and ensure every part of the business contributes to growth.

### Financial KPIs

£000 unless stated	2025	2024
Revenue	£24,932	£20,749
Recurring revenue	93%	87%
Gross margin	32.1%	27.6%
Adjusted EBITDA	£3,057	£2,410
Adjusted EBITDA earnings per share	13.02p	11.18p
Cash and cash equivalents	£1,238	£1,778

The Group delivered strong year-on-year growth across its core financial metrics, with a notable improvement in gross margin reflecting both operational discipline and an enhanced business mix. Contracted and recurring revenue pushed higher at 93%, underscoring the resilience of our income streams.

### Our Service Model

Our KPIs are closely aligned with the Group's three core service lines, each of which plays a critical role in driving recurring revenue and supporting long-term customer relationships:

1. **Planned Services** - scheduled maintenance, compliance-led works and routine service delivery across drainage, plumbing, pump maintenance, nationwide commercial window cleaning, specialist environments and regional soft-FM contracts.
2. **Emergency Response** - 24/7/365 rapid-response services delivered through formal contracts and framework agreements, covering urgent drainage, plumbing and pump issues, specialist cleaning and emergency decontamination, and time-critical property recovery.
3. **Project Services** - one-off, non-contracted works addressing specific client requirements outside routine operations, including technical interventions, specialist assignments and infrastructure-related tasks.

This balanced service model provides a stable foundation for growth, combining predictable recurring income with higher-margin project opportunities across the Group's diverse operational capabilities.

### Strategic Progress

REACT has continued to strengthen its position as a leading consolidator and trusted partner within the specialist support services sector. Our strategy remains centred on high-value, high-margin services where quality, compliance and rapid response are critical, supporting predictable recurring revenues and long-term customer relationships.

Following the successful rollout of Project Sparkle within LaddersFree, our nationwide commercial window cleaning business, we now have the capability to transition this operation from an analogue model to a fully digital workflow. This shift has the potential to materially enhance the division's efficiency and service quality by streamlining job allocation, improving consistency and accelerating delivery. It also meets growing customer demand for greater transparency and access, strengthening our real-time reporting, auditability and operational resilience.

# REACT Group PLC

## Chief Executive Officer's Report and Strategic Review (continued) For the year ended 30 September 2025

Importantly, the platform enables the business to scale without the need for incremental administrative resource, reducing manual processes and creating a foundation for further automation over time. With the rollout now complete, expansion of this division is significantly easier to execute, and we were pleased to appoint a highly experienced commercial leader shortly before the year end. She has already brought greater focus, pace and commercial discipline to the business, and we are seeing early indications of progress, with growth emerging from both new customers and existing clients extending the scope of their services.

Within 24Hr Aquaflow, acquired early in the financial year, we have made strong progress integrating the business and aligning its operations with the wider Group. Following the period end, we launched a dedicated Pump Division, significantly broadening our technical capability and positioning the business as a comprehensive solutions partner. This development increases opportunities for cross-selling, strengthens long-term maintenance prospects and enhances the Group's platform for sustainable, long-term growth.

### Acknowledgements

On behalf of the Board, I extend our sincere thanks to our customers and partners. Your trust and collaboration have been instrumental in enabling the Group to navigate a challenging economic environment while continuing to deliver high-impact, critical services.

I would also like to recognise the exceptional commitment of our people. Their professionalism, resilience and energy throughout a demanding year have been central to our success. The strength of our culture and the dedication of our teams give me great confidence in our ability to continue building momentum.

### Outlook

While we remain attentive to broader macroeconomic conditions, the headwinds experienced in the first half of the year have eased, and we are now operating in a more favourable trading environment. Despite the usual seasonal slowdown over the festive period, early trading in the new financial year has been encouraging, supported by sustained demand for both reactive and planned services. With the initial pressures of the prior year now receding, management sees a strengthening set of opportunities ahead.

We continue to apply appropriate caution to discretionary project work; however, the overall backdrop is increasingly supportive of the Group's strategic ambitions. Our focus remains on delivering high-quality, critical services, deepening customer relationships and investing in the capabilities that will support long-term value creation. We are driving further operational efficiencies, expanding high-impact cross-selling and upselling initiatives and assessing high-quality assets that have the potential to strengthen the portfolio and enhance shareholder value.

We are managing cost pressures, including changes to National Insurance and the National Living Wage, with agility, ensuring our core services remain resilient and competitively positioned. With strengthened operational foundations, a clear strategy and the commitment of our people and customers, the Group enters the new financial year with a solid platform for sustainable progress. We look ahead with measured confidence.

# REACT Group PLC

## Chief Executive Officer's Report and Strategic Review (continued) For the year ended 30 September 2025

### Strategic Review

#### Overview

REACT Group has continued to strengthen its position as a specialist provider of essential support services to the UK commercial facilities management sector. The Group operates across four divisions: drainage, plumbing and pump maintenance; commercial window cleaning; specialist cleaning; and emergency decontamination - supported by a regional soft-FM and contract cleaning business in the Midlands. Our focus remains on delivering non-discretionary, technically demanding and time-critical services that protect customers' operations, safeguard their environments and support the presentation of their brands.

The year ended 30th September 2025 marked another period of meaningful progress. Despite a challenging macroeconomic backdrop, the Group delivered strong financial performance, improved gross margin, and enhanced operational resilience. Strategic investments in digital capability, leadership, and technical expertise - including the early-year acquisition and integration of 24Hr Aquaflow - have strengthened the platform for scalable, sustainable growth.

#### Market Environment

The Group operates in a large, fragmented market characterised by essential, compliance-driven and operationally critical services. Demand is underpinned by:

- ageing infrastructure requiring ongoing maintenance
- heightened regulatory and compliance requirements
- increasing customer expectations around transparency, auditability and service quality
- the need for rapid response to unplanned events
- the commercial importance of brand presentation in customer-facing environments

While the first half of the year was shaped by uncertainty surrounding the Government Budget, conditions stabilised in the second half, and underlying demand remained resilient across all divisions. The Group's focus on essential services and long-term customer relationships continues to provide strong protection against cyclical pressures.

#### Strategic Priorities

##### 1. Strengthening Operational Excellence

We continue to invest in systems, processes and leadership to enhance efficiency, visibility and service quality across the Group. Operational discipline remains a core focus, reflected in improved gross margin, strong cash conversion and a more balanced business mix. These foundations support scalable growth and ensure we deliver consistent, high-quality outcomes for customers.

##### 2. Expanding High-Value Capabilities

The Group remains focused on service lines where quality, compliance and rapid response are critical. The acquisition of 24Hr Aquaflow early in the financial year has strengthened our technical capability within drainage, plumbing and pump maintenance. Following the period end, the creation of a dedicated Pump Division within the business has broadened our specialist expertise, increased opportunities for cross-selling and strengthened our ability to support customers with more complex, high-value requirements. This targeted expansion enhances our platform for sustainable, long-term growth.

## Chief Executive Officer's Report and Strategic Review (continued) For the year ended 30 September 2025

### 3. Driving Commercial Momentum

Strong customer relationships, high retention and disciplined cross-selling continue to underpin our commercial performance. New business wins across all divisions, including a growing pipeline within 24Hr Aquaflow as integration progresses, combined with deeper engagement from existing customers, demonstrate the strength of our proposition and our ability to deliver nationwide, specialist services with reliability and scale. Improved data visibility and closer collaboration between divisions are further supporting commercial momentum.

### 4. Enhancing Digital Capability

Digital transformation remains a core enabler of our strategy. While all divisions already utilise digital workflow tools to support operational delivery, the transition of LaddersFree to a fully digital, end-to-end workflow represents a significant step forward in efficiency, transparency and customer experience. Building on this progress, we will continue to enhance and expand digital capability across the wider Group, strengthening operational resilience, improving data visibility and supporting scalable, consistent service delivery.

### 5. Selective, Value-Enhancing M&A

The Group continues to assess high-quality acquisition opportunities that have the potential to enhance capability, expand geographic reach or strengthen recurring revenue. The successful acquisition and integration of 24Hr Aquaflow demonstrates our disciplined approach to identifying strategically aligned businesses that enhance the Group's technical capability and long-term value creation. While we remain active in reviewing opportunities, we will only pursue acquisitions where market conditions, valuation and funding considerations combine to make a compelling and responsible case for shareholders.

#### Business Model

Our business model is designed to deliver sustainable, high-quality earnings through a balanced mix of recurring, contracted and project-based services.

#### Core Components of the Model

- **Recurring and contracted revenue** from planned services and long-term frameworks
- **High-margin emergency response** delivered 24/7/365
- **Project services** that address specific customer needs outside routine operations
- **National coverage** supported by regional expertise
- **Digital systems** that enhance efficiency, auditability and customer experience
- **Strong cash generation** enabling reinvestment and disciplined growth

This model provides resilience across market cycles and supports predictable, long-term value creation.

#### Key Performance Indicators

The Group monitors a focused set of KPIs aligned to its strategic priorities, covering financial performance, operational efficiency and customer outcomes. These KPIs ensure disciplined decision-making and provide clear visibility of progress across the business.

# REACT Group PLC

## Chief Executive Officer's Report and Strategic Review (continued) For the year ended 30 September 2025

### Principal Risks and Uncertainties

The Group operates a robust risk-management framework designed to identify, assess and mitigate risks across operational, financial and strategic areas. Key risks include:

- **Macroeconomic pressures** affecting customer budgets and project timing
- **Labour availability and wage inflation** in specialist technical roles
- **Regulatory and compliance requirements** across multiple sectors
- **Operational disruption** arising from unplanned events or supply-chain issues
- **Cybersecurity and data integrity**, particularly as digital capability expands

Mitigating actions include investment in digital systems, strengthened leadership, diversified customer base, long-term contracts, and disciplined cost management.

### Outlook

The Group enters the new financial year with strengthened operational foundations, a clear strategic direction and encouraging early trading. Demand for essential reactive and planned services remains robust, and the stabilisation of the macroeconomic environment provides a more supportive backdrop for growth.

Management remains focused on:

- enhancing operational efficiency
- deepening customer relationships
- expanding high-value service lines
- driving cross-selling and upselling
- assessing selective acquisition opportunities

With a scalable platform, strong customer base and a committed workforce, the Group is well positioned to deliver sustainable long-term growth.



**Shaun D Doak**

Chief Executive Officer  
5 February 2026

**Chief Financial Officer's Report**  
**For the year ended 30 September 2025**

**Revenue and Profitability**

I am pleased to present the financial results for REACT Group plc for the year ended 30 September 2025. The Group delivered a strong financial performance despite a challenging macroeconomic backdrop, reflecting the operational discipline, strategic focus and capability enhancements outlined in the CEO's report.

This was a year in which we combined resilient trading with targeted investment to strengthen the platform for long-term growth. Alongside solid underlying performance, we completed the acquisition of 24hr Aquaflow Service Ltd, renewed our banking facilities, deployed the new digital operating platform within LaddersFree and invested in the development of the Pump Division within 24hr Aquaflow. Each of these actions directly supports our strategic priorities: enhancing operational efficiency, expanding high-value technical capability and improving the quality and visibility of earnings.

Revenue for the year was £24,932,000, an increase of over 20% on the prior year (2024: £20,749,000).

On a comparable basis, excluding the contribution from 24hr Aquaflow, revenue was £18,938,000 (2024: £20,749,000). The prior year included £1,224,158 from a major rail-sector client, where we were engaged during the COVID-19 period to deliver highly specialised cleaning and decontamination services. This work was always expected to have a finite life span. As national standards and operational pressures normalised, the cost of maintaining these enhanced protocols could no longer be justified by the operator, and the programme concluded - later than originally anticipated. As such, this revenue stream is best regarded as discontinued business rather than a baseline for ongoing growth. Excluding this temporary COVID-related activity, the Group's underlying revenue profile demonstrates stability and continued progress, consistent with the strategic themes outlined in the CEO's report.

Gross profit increased to £7,996,000 (2024: £5,725,000), with gross margin improving to 32.1% (2024: 27.6%). This significant uplift reflects the Group's strategic shift toward higher-margin, specialist services, particularly through 24hr Aquaflow, which operates at close to 50% gross margin. The remainder of the Group delivered a gross margin of 26.1%, demonstrating continued operational discipline and an improved business mix.

Group overheads were £7,792,000 (2024: £5,438,000), driven primarily by the inclusion of 24hr Aquaflow's operating costs (£1,726,000) and amortisation of acquired intangible assets (£527,000). These increases reflect deliberate investment in capability and infrastructure to support scalable growth.

Adjusted EBITDA increased to £3,057,000, up 26.8% on the prior year (2024: £2,410,000). This performance demonstrates the strength of our recurring revenue base and the benefits of improved operational efficiency, consistent with the CEO's strategic focus.

# REACT Group PLC

## Chief Financial Officer's Report (continued) For the year ended 30 September 2025

### Reconciliation of Operating profit to Adjusted EBITDA

	2025 £'000	2024 £'000
Operating profit	204	287
Depreciation & Amortisation	2,455	1,781
EBITDA	<u>2,659</u>	<u>2,068</u>
Acquisition costs/restructuring costs	267	253
Share based payments	131	89
	<u>398</u>	<u>342</u>
Adjusted EBITDA	<u>3,057</u>	<u>2,410</u>
Adjusted EBITDA	3,057	2,410
Weighted average shares in issue	23,476,719	21,551,761
Adjusted EBITDA earnings per share	<u>13.02p</u>	<u>11.18p</u>

### Earnings per Share<sup>1</sup>

The basic loss per share from continuing operations was (1.45p) (2024: profit of 0.08p).

Adjusted EBITDA per share was 13.02p (2024: 11.18p), reflecting the underlying strength of the Group's core operations.

### Intangible Assets and Goodwill

Intangible assets totalled £12,254,000 (2024: £7,840,000), comprising goodwill of £9,581,000 and other intangible assets of £2,673,000. The acquisition of 24hr Aquaflow contributed £4,135,000 of goodwill and £2,301,000 of intangible assets.

Goodwill has been tested for impairment, and management is satisfied that the carrying value is supported by current projections. Amortisation of intangible assets was £2,022,000 (2024: £1,643,000). These assets, acquired through business combinations, are amortised over four years.

### Cash Flow

Cash and cash equivalents at 30 September 2025 were £1,238,000 (2024: £1,778,000), a reduction of £540,000 (2024: increase of £138,000). This movement reflects lower operating cash generation and increased investment activity during the year, partially offset by inflows from financing activities.

Operating cash inflows were £821,000 (2024: £2,788,000). Working capital movements were adverse by £1,130,000 (2024: £640,000), primarily due to changes in the Group's VAT settlement arrangements. Corporation tax payments totalled £842,000 (2024: £9,000), including £154,582 relating to FY2023.

Financing activities generated net cash inflows of £3,011,000 (2024: outflow of £233,000). This included £1,010,000 from the issue of new ordinary shares (net of fees) and £2,734,000 from the new bank term loan, net of repayments. These inflows were offset by interest payments of £473,000 and lease payments of £260,000. The new £3,500,000 bank loan is repayable over four years, with total loan repayments during the year of £766,000.

Investing cash outflows were £4,372,000 (2024: £2,417,000), comprising £3,870,000 for the acquisition of 24hr Aquaflow (net of cash acquired) and £505,000 of capital expenditure (2024: £410,000). Capital investment included the Sparkle digital platform, a new combination tanker for 24hr Aquaflow and other asset upgrades across the Group. These investments directly support the Group's strategic priorities of enhancing digital capability, expanding technical services and strengthening operational infrastructure.

**Chief Financial Officer's Report (continued)**  
**For the year ended 30 September 2025**

Free cash flow is a key KPI for the Group and has historically tracked closely to Adjusted EBITDA. However, the significant investment made during 2025 - both acquisitive and organic - has altered this relationship. The acquisition of 24hr Aquaflow, funded largely through new bank facilities, together with capital investment in the Sparkle platform and the expansion of drainage and pump capabilities, has reduced free cash flow in the year. As the Group continues to deleverage while investing in organic growth, we expect these KPIs to diverge. The Board remains confident that this investment-led approach will support long-term value creation and equity growth.

In 2025, the Group generated negative free cash flow of £155,000 (2024: £2,265,000). This reflects corporation tax payments relating to pre-acquisition trading at 24hr Aquaflow (£467,200), settlement of FY2023 corporation tax (£154,582), timing of VAT payments £700,000, interest payments of £473,000 (2024: £113,000), lease liabilities of £260,000 (2024: £42,000) and capital expenditure of £505,000 (2024: £400,000). The corporation tax relating to pre-acquisition trading was funded from retained cash at completion. Based on current financial projections, the Group has sufficient cash resources to support its operational and strategic plans.

**Taxation**

The Group reported a loss for the year after recognising a tax charge of £71,000 (2024: £138,000). This mainly comprised of a corporation tax charge of £419,000 (2024: £405,000) and a deferred tax credit of £348,000 (2024: £267,000).

At the balance sheet date, the corporation tax liability due for settlement in 2026 was £385,000 (2024: £659,000). The Group held a deferred tax asset of £67,000 (2024: £58,000) and a deferred tax liability of £894,000 (2024: £576,000), primarily relating to tax associated with intangible assets recognised on acquisitions £668,000 (2024: £562,000).

**Statement of Financial Position**

The Group's balance sheet strengthened during the year, with net assets increasing to £9,963,000 (2024: £8,662,000). This reflects the contribution of the acquired business, continued investment in operational capability and disciplined financial management.

**Net debt**

Net debt at the yearend is £2,898,000 (2024: net cash £994,000). Net debt has increased as a result of the new term bank loan drawn in the year, total bank debt £3,437,000 (2024: £687,000), alongside finance lease arrangements £699,000 (2024: £97,000) off-set by cash and cash equivalents £1,238,000 (2024: £1,778,000). Net debt will reduce as the Group settles the bank loan arrangements which are settled monthly.

**Acquisition of 24hr Aquaflow Service Ltd and HSBC Banking Arrangements**

On 25 October 2024, the Group acquired 100% of the issued share capital of 24hr Aquaflow Services Limited, a successful commercial drainage and plumbing business headquartered in Essex and serving customers across London and the South East.

The initial consideration was £5,069,000, comprising £4,116,000 in cash, £500,000 in new ordinary shares issued as equity consideration and £453,000 of deferred consideration. A further £2,019,000 of contingent consideration is payable subject to performance conditions over a two-year earn-out period, giving a maximum potential consideration of £7,088,000.

To part-fund the acquisition, the Group entered into a new £3,500,000 term loan with HSBC, carrying interest at 3.0% above the Bank of England base rate and repayable monthly over four years. As a result, the Group now has two term loans with HSBC. The new facility is subject to three banking covenants: debt service cover, net debt to EBITDA and EBITDA interest cover.

**Chief Financial Officer's Report (continued)**  
**For the year ended 30 September 2025**

Deferred consideration is recognised on a discounted cash flow basis using a discount rate of 7.75% (cost of debt). As the liability unwinds, the difference between the carrying value and the cash settled is recorded as an interest expense. An interest charge of £173,000 was recognised during the year.

During the year, the first of six scheduled deferred consideration payments of £477,000 was made. After the year end, a further payment of £477,000 was made, representing the first contingent payment following 24hr Aquaflow meeting its year-one earn-out performance target.

**Share Capital**

To support working capital and the acquisition of 24hr Aquaflow, the Group issued 1,358,025 new ordinary shares at 81 pence per share via a placing with key existing shareholders, raising £1,115,000 in cash. A further 617,284 new ordinary shares were issued as equity consideration for the acquisition and are subject to a three-year lock-in period. At the year end, the Company had 23,636,610 shares in issue (2024: 21,551,761).

**Project Sparkle**

During the year, the Group launched the first version of Sparkle, the new digital operational platform for LaddersFree. The platform has been delivered in line with the initial project scope and is now fully live. Early feedback from third-party members has been positive, and we will continue to work closely with users as we expand the membership model and explore further operational efficiencies and growth opportunities across the service portfolio.

Investment in Sparkle totalled £359,000, comprising £204,000 of third-party development costs and capitalised internal staff costs associated with the project.



**Spencer Dredge**  
Chief Financial Officer  
5 February 2026

## Corporate Governance Statement

The Board strongly believes in the value and importance of good corporate governance and its accountability to all of REACT's stakeholders, including shareholders, staff, customers and suppliers. In the statement below, we explain our approach to governance, and how the Board operates. The Chairman's role is to lead the Board, with ultimate responsibility for overseeing the Company's approach to corporate governance.

REACT has chosen to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies.

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the Board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each.

### Board Composition and Compliance

The QCA Code requires that the boards of AIM companies have an appropriate balance between executive and non-executive directors of which at least two should be independent. The board composition has not changed during the year. Robert Gilbert and Michael Joyce continued as non-executive directors and both are considered by the Board to be independent. Mark Braund continued as Executive Chairman, Shaun Doak continued as CEO and Spencer Dredge as CFO throughout the year, as well as fulfilling roles as directors of all four wholly-owned trading companies.

### Board Evaluation

Performance of the directors is reviewed informally by the Chairman on an ongoing basis and action taken to address any issues arising as appropriate.

### Shareholder Engagement

Shareholders are encouraged to attend the Annual General Meetings on either a virtual or in-person basis and are provided with contact details for the Company on all announcements made via RNS.

The Company provides shareholders with direct access to the Annual General Meeting and live investor presentations via the Investor Meet Company, a digital platform that provides free, direct access to each event.

The Board also has ultimate responsibility for reviewing and approving the Annual Report and Accounts and confirms that, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The following paragraphs set out REACT's compliance with the 10 principles of the QCA Code.

#### **Principle 1: "Establish a strategy and business model which promotes long-term value for shareholders"**

The REACT Group is a leader in the specialist cleaning, decontamination, and hygiene sector, including contracted commercial cleaning, commercial window cleaning and specialist emergency decontamination work.

The Group carries out specialist cleaning across the UK focused on markets with non-discretionary requirements, complex demands and/or nationwide fulfilment.

The Group has grown consistently over the last five years through continuous annual organic growth augmented by strategic acquisitions; Fidelis in March 2021, a soft services facilities management

## **Corporate Governance Statement (continued)**

business, Ladders Free in May 2022, one of the UK's largest nationwide commercial window cleaning businesses and most recently 24hr Aquaflow in October 2024, a commercial drainage and plumbing business. The consolidated business now benefits from a high proportion of contracted and recurring revenue, is profitable and cash generative.

Our primary objective is to maintain and/or rapidly return our customers' property to safe, clean, operational use and do this through regular specialist cleaning and/or emergency response to potentially harmful incidents.

As a genuine specialist, REACT operates across a fragmented market where quality, geographical reach and range of service is often a challenge.

The Group has created an increasingly unique proposition in this niche-orientated sub-sector of the market; REACT are often the only business capable of delivering a consistent, reliable, single-source solution to a number of key specialist service demands required by customers across the UK.

The work our specialists undertake has tangible value; the cost of not being able to operate a commercial building, retail park, , open a hospital ward or school classroom, occupy any form of commercial or socially important property alongside the damage to well-invested brands in the consumer/retail landscape is often material, hence the work REACT performs is valued and operates at higher margins than regular soft and hard FM service providers.

Our strategy is to continuously improve the value of our services to our customers and further strengthen the operational and financial model of our business, maintaining strong margins, the long-term recurring nature of our income and deliver robust cash conversion.

### **Principle 2: “Seek to understand and meet shareholder needs and expectations”**

The Board believes it is important to provide shareholders with clear and transparent information on the Group's activities, strategy and financial position. Responsibility for investor relations rests with the Chairman whose contact details are provided on the website; shareholders are also encouraged to attend Annual General Meetings on either a virtual or in-person basis, and time is set aside specifically to allow questions from attending members to be addressed by the Board.

A range of corporate information (including all REACT Group announcements) is also available to shareholders, investors and the public on our website.

The Company provides shareholders with direct access to the Annual General Meeting and live investor presentations via the Investor Meet Company, a digital platform that provides free, direct access to each event. These sessions also include a Q&A element.

The Company's broker arranges meetings with the Company's institutional and other larger shareholders at appropriate intervals during the year.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and that approvals sought at the Company's AGM are as much as possible within the recommended guidelines of the QCA Code.

Singer Capital Markets Advisory LLP has fulfilled the combined role of Nominated Adviser and Broker throughout the year. In addition, during the year the Company appointed a second broker Dowgate Capital Limited.

### **Principle 3: “Take into account wider stakeholder and social responsibilities and their implications for long term-success”**

The Board recognises its prime responsibility under UK corporate law is to promote the success of the Company for the benefit of its members as a whole. The Board also understands that it has a responsibility towards its employees, customers and suppliers and to take into account, where practicable, the social, environmental and economic impact of its activities on its stakeholders.

## Corporate Governance Statement (continued)

Accordingly, we have a detailed Corporate Social Responsibility Policy in place which outlines our commitment to our social responsibilities. We also undertake regular business risk assessments in accordance with the ISO9001:2015 and ISO14001:2015 accreditations, to assess and manage the risks associated with the operational aspects of the business including the environmental impact. Under the ISO 2015 Standards we also have to identify other 'Interested Parties' who may be affected by daily operation of the organisation, and document and regularly review how we manage those relationships.

The Board also takes its responsibilities with regard to health and safety and working practices very seriously and ensures that the Company complies with all the necessary legislation, and that employees are given appropriate training for the work that they have to undertake.

### **Principle 4: "Embed effective risk management, considering both opportunities and threats, throughout the organisation"**

Responsibility for the management of risk in the business rests with the Board. The Company's business is subject to a number of risks and uncertainties and the Board continually considers how to identify and mitigate the key business risks that could impact upon performance. The principal risks and uncertainties facing the Group and how they are being addressed are as follows:

#### ***Dependence on key customers***

REACT generates a material proportion of its revenues and gross profit contribution from a finite number of customers, however since the acquisitions of Fidelis, LaddersFree and more recently 24hr Aquaflow, the mix has continued to improve and as a result, we have continued to reduce this dependency. The number of active customers across the Group remains in excess of 1,000.

As our business has grown, we have positioned ourselves to be a leading service solutions provider to the facilities management industry, with particular success with FM customers, education, industry and retail. Expanding our reach and contracted business with existing customers is a key part of our strategy. We have been successful in doing this during the period, and we plan on expanding on this success with the acquisition of 24hr Aquaflow which has a complimentary client base of predominantly FM clients.

There is still more to do to reduce reliance on key customers and the Group remains focused on further developing the business it carries out with more of its customers to provide a better spread and balance of business and thereby reduce the dependency on a limited number of customers.

#### ***Attraction and retention of key management and employees***

The successful operation of the Group will depend upon the performance and expertise of its management and employees. Having previously restructured and refocused the business we made a small number of targeted hires.

We have successfully integrated the team from 24hr Aquaflow into the overall operating strategy for the Group. As a result of the business combination we benefitted from a number of cross-sell projects. In addition, we have launched a new division within 24hr Aquaflow offering pump services, and made several key managerial hires. We enter the new financial year with a solid team aiming to continuously improve.

Relevant key performance indicators (KPIs) are in place to communicate priorities and expectations and also to provide a transparent process of review.

A strong customer-centric, team-orientated, 'can-do' culture is also beginning to emerge, one we believe is attractive to recruiting and retaining key talent within the business.

#### ***Impact of Brexit***

The Group has a significant number of employees who come from the EU and as they were employed prior to 31 December 2020, are legally able to continue working for the Group. As the Group expands, it will continue to recruit from a variety of nationalities, however it will also have to recruit with certain restrictions as most roles are not deemed as 'skilled' occupations which means that the Group will not have the ability to gain employer sponsored visas for these roles. We have put measures in place to ensure that our recruitment practices, vetting and verification of the right to work in the UK, are stringent and to ensure the Group remains compliant with all

## Corporate Governance Statement (continued)

relevant legislation. The Group will continue to monitor the diversity of its workforce with the continuing aim for it to be reflective of the ethnic diversity of regions it operates in.

### ***Health and safety***

Given the nature of the business our operators are often working in challenging conditions. As a consequence, the Group takes its responsibilities with regard to the health and safety of its employees very seriously. Working practices are continually kept under review to ensure that they remain appropriate for our business and that the high standards expected are maintained throughout the Group.

### ***Future funding requirements***

Since April 2020, REACT has had an invoice discounting facility in place and this facility provides flexibility for the Group to deal with normal business working capital fluctuations. During the year the Group entered into a new loan arrangement with HSBC, the new £3.5m 4-year term loan has been fully drawn down to fund the initial consideration for the acquisition of 24hr Aquaflow services limited. Based on the trading outlook for the next 12 months, it is not anticipated that any further funding will be required. However, the Board will continue to regularly monitor the Group's performance and its overall cash position.

The directors also constantly monitor the financial risks and uncertainties facing the Group with particular reference to the exposure of credit risk and liquidity risk. They are confident that suitable policies are in place and that all material financial risks have been considered. The Group's financial instruments primarily comprise cash balances and receivables and payables that arise directly from its operations. The main risks the Group faces are liquidity risk and capital risk. The board regularly reviews and agrees policies for managing each of these risks. The Group's policies for managing these risks are summarised below.

### ***Interest risk***

The Group is exposed to interest risk in relation to its invoice discounting Facility and its two separate bank loans.

### ***Credit risk***

The Group is exposed to credit risk as services are invoiced as soon as practicable after completion. This risk is mitigated as most large customers have been customers for several years and have good credit ratings. The board has also put procedures in place to ensure all services are invoiced promptly and payments received in a timely manner.

### ***Liquidity risk***

Liquidity risk is the risk that Group will encounter difficulty in meeting the obligations associated with financial liabilities. The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the Group's short term and long-term funding risks management requirements.

### ***Capital risk***

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

### ***Principle 5: "Maintain the board as a well-functioning, balanced team led by the chair"***

The members of the board have a collective responsibility and legal obligation to promote the interests of the Group, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.

During the year ended 30 September 2025, the Board continued to benefit from the ongoing support of its two independent non-executive Directors; Rob Gilbert, with his sales and marketing experience and Michael Joyce with senior financial expertise. Mark Braund, Shaun Doak and Spencer Dredge continued in their roles of Executive Chairman, CEO and CFO respectively throughout the year.

## Corporate Governance Statement (continued)

Details of the individual Directors and their biographies are set out on the Company's website [www.reactplc.co.uk](http://www.reactplc.co.uk). The Directors evaluate the balance of skills, knowledge and experience on the Board when defining the role and capabilities required for new appointments.

The Board is responsible for management of the business, setting the strategic direction and policies. The Board meets regularly to attend to any issues which require the attention of the Board and oversees the financial position of the Company monitoring the business and affairs on behalf of the Shareholders, to whom the Directors are accountable. The Board also addresses issues relating to internal control and the Company's approach to risk management.

During the year ended 30 September 2025 the Board held 7 scheduled meetings. The primary duty of the Board is to act in the best interests of the Company, its shareholders and its stakeholders at all times.

### ***Audit Committee***

The Audit Committee meets at least once a year. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of REACT Group PLC. This committee consists of Michael Joyce non-executive Director (who chairs the committee) and Mark Braund, Executive Chairman.

### ***Remuneration Committee***

The Remuneration Committee meets at least once a year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of REACT Group PLC. This committee consists of non-executive Director, Michael Joyce (who chairs the committee), Rob Gilbert, non-executive director and Mark Braund, Executive Chairman.

### ***Nominations Committee***

The Nominations Committee assists the Board in meeting its responsibilities for ensuring that the Board retains an appropriate balance of skills to support the strategic objectives of the Group, has a formal, rigorous and transparent approach to the appointment of Directors and maintains an effective framework for succession planning. This committee consists of non-executive Director, Michael Joyce (who chairs the committee), Rob Gilbert, non-executive director and Mark Braund, Executive Chairman.

### **Principle 6: "Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities"**

The Board currently comprises a part-time Executive Chairman, two independent non-executive Directors, as well as two full-time executive directors, being the CEO and CFO. The skills and experience of the Board are set out on the company website.

The Board is kept abreast of developments of governance and AIM regulations. The Company's lawyers provide updates on governance issues and the Company's NOMAD provides AIM Rules training to new directors as well as apprising the Board as a whole of updates and guidance published regarding the AIM rules and other regulatory matters.

All Directors have access to the Company's NOMAD, registrars, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

The Company is mindful of the issue of gender balance although Board appointments are made with the primary aim of ensuring that the candidate offers the required skills, knowledge and experience.

## **Corporate Governance Statement (continued)**

### **Principle 7: “Evaluate board performance based on clear and relevant objectives, seeking continuous improvement”**

Performance of the Directors is reviewed informally by the Chair on an ongoing basis and action taken to address any issues arising as appropriate.

The Board meets formally at least 6 times a year with ad hoc Board meetings as the business demands. There is a strong flow of communication between the Directors. The Agenda is set with the consultation of all Directors, with consideration being given to both standing Agenda items and the strategic and operational needs of the business. Papers are circulated in advance of the meetings, giving Directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.

The composition of the Board continues to be monitored, in particular the balance of executive and non-executive Directors. The Board as a whole is mindful of the need for considering succession planning.

The Directors have a wide knowledge of the business and requirements of Directors' fiduciary duties. Further training and development will be considered as the business and Board evolves.

The Directors have access to the Company's NOMAD and auditors as and when required. They are also able, at the Company's expense, to obtain advice from external bodies if required.

### **Principle 8: “Promote a corporate culture that is based on ethical values and behaviours”**

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise Shareholder value. The Company maintains and regularly reviews a staff handbook that includes clear guidance on what is expected of every employee of the company. As noted above the Company also has detailed Corporate Social Responsibility Policy in place which outlines our commitment to our social responsibilities and provides guidance for employees.

The Board takes its responsibilities with regard to health and safety and working practices very seriously and ensures that the Company complies with all the necessary legislation, and that employees are given appropriate training for the work that they have to undertake.

Issues of bribery and corruption are taken seriously, the Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is currently being provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. There are strong financial controls across the business to ensure on going monitoring and early detection.

A whistleblowing policy is in place, which enables staff to raise any concerns in confidence.

### **Principle 9: “Maintain governance structures and processes that are fit for purpose and support good decision making by the board”**

The Board provides strategic leadership for the Group and is continuously improving and evolving its corporate governance framework. The purpose is to ensure the delivery of long-term Shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Group implements in its business plans.

The Executive Chairman has overall responsibility for corporate governance and in promoting high standards throughout the business as well as the management of the day to day operations. It is the role of the independent non-executive Directors to contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinising the performance of management, providing constructive challenge to the Executive management and ensuring that the Group is operating within the governance and risk framework approved by the Board. They also review and challenge the financial information produced by the executive management.

## **Corporate Governance Statement (continued)**

The matters reserved for the board are:

- Setting long-term objectives and commercial strategy;
- Approving annual operating and capital expenditure budgets;
- Changing the share capital or corporate structure of the Group;
- Approving half year and full year results and reports;
- Approving major investments and contracts;
- Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars; and
- Approving changes to the board structure.

The Board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor compliance against this Code on an annual basis and revise its governance framework as appropriate as the Group evolves. Details of the Audit Committee and the Remuneration Committee are detailed in relation to Principle 5 above.

**Principle 10: “Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders”**

See investor relations activities described above in relation to Principle 2.



**Mark Braund**

Executive Chairman

5 February 2026

# REACT Group PLC

## Directors' Report For the year ended 30 September 2025

The Directors present their report and the audited financial statements of the Group for the year to 30 September 2025.

### PRINCIPAL ACTIVITY

The principal activity of the Group is specialist drainage, plumbing and pump services, cleaning, decontamination, and hygiene, including contracted commercial cleaning, commercial window cleaning and specialist emergency decontamination work. The Group carries out specialist cleaning across the UK focused on markets with non-discretionary requirements, complex demands and/or nationwide fulfilment.

### BUSINESS REVIEW AND RESULTS FOR THE YEAR

In accordance with section 414C(11) of the Companies Act 2006 the Group chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Group in the Executive Chairman's Statement (page 4-5) and the Chief Executive Officer's Report and Strategic Review (pages 6-11) and the Chief Financial Officer's Report (pages 12-15). No dividend is payable in respect of the year (2024: £Nil).

### DIRECTORS

The Directors who served the company during the year and up to the date of this report were as follows:

M A Braund  
S D Doak  
S N Dredge  
R J Gilbert  
M R S Joyce

Details of Directors' remuneration is set out in Note 5 to the accounts.

The Directors of the Group (at 30 September 2025) held the following beneficial interests in the shares and share options of REACT Group PLC at 30 September 2025.

### DIRECTORS' BENEFICIAL INTERESTS AS AT 30 SEPTEMBER 2025

	Issued Share Capital		Share Options	
	Ordinary shares of 12.5p each	Percentage Held	Ordinary shares of 12.5p each	Options Exercise price
M A Braund	451,503	1.91%	170,000 341,679	£0.125 £0.125
S D Doak	5,177	0.02%	373,866 341,679	£0.15 £0.125
S N Dredge	12,166	0.05%	440,000	£0.125
R J Gilbert	19,584	0.08%	16,616	£0.15
M R S Joyce	100,000	0.42%	16,616	£0.15

# REACT Group PLC

## Directors' Report For the year ended 30 September 2025 (continued)

Since the year end, there have been no changes to the Directors on the Board but there have been changes to these beneficial interests and as at 5 February 2026, the holdings are shown below.

### DIRECTORS' BENEFICIAL INTERESTS AS AT 5 February 2026

	Issued Share Capital		Share Options	
	Ordinary shares of 12.5p each	Percentage Held	Ordinary shares of 12.5p each	Options Exercise price
M A Braund	454,503	1.92%	170,000 341,679	£0.125 £0.125
S D Doak	8,122	0.03%	373,866 341,679	£0.15 £0.125
S N Dredge	15,111	0.06%	440,000	£0.125
R J Gilbert	19,584	0.08%	16,616	£0.15
M R S Joyce	100,000	0.42%	16,616	£0.15

### INDEMNITY OF OFFICERS

The Group purchases Directors' and Officers' insurance against their costs in defending themselves in legal proceedings taken against them in that capacity, and in respect of damages resulting from the unsuccessful defence of any proceedings.

### SIGNIFICANT SHAREHOLDINGS

Significant shareholdings as at 30 September 2025 and 5 February 2026 were as follows:

	30 September 2025	5 February 2026
Octopus Investments Nominees Limited	19.36%	18.92%
Dowgate Capital	12.48%	10.93%
Harwood Capital Management Group	10.94%	10.94%
Helium Rising Stars/David Newton	5.3%	5.3%

### FINANCIAL INSTRUMENTS

The Group's exposure to financial risk is set out in note 23 to the accounts.

### PUBLICATION OF ACCOUNTS ON GROUP WEBSITE

Financial statements are published on the Group's website. The maintenance and integrity of the website is the responsibility of the Directors. The Directors' responsibilities also extend to the financial statements contained therein.

### GOING CONCERN

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have looked at the budget for the next 12 months from the date of this report, the cash at bank available as at the date of approval of this report and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

**Directors' Report**  
**For the year ended 30 September 2025 (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have, as required by the AIM Rules for Companies of the London Stock Exchange, elected to prepare financial statements in accordance with UK Adopted International Financial Reporting Standards (IFRS). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the company financial statements have been prepared in accordance with IFRS as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of the information.

**AUDITOR**

Dains Audit Limited have expressed their willingness to continue in office as auditors and will be proposed for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.



On behalf of the Board

**Spencer Dredge**

5 February 2026

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025**

**Opinion**

We have audited the financial statements of REACT Group Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2025 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, notes to the consolidated statement of cash flows, company statement of financial position, company statement of changes in equity, company statement of cash flows, notes to the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Our approach to the audit**

As part of designing our audit approach, we obtained an understanding of the Group and its environment, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent Company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting unit in the Group by reference to both its financial significance and other indicators of audit risk, such as complexity of operations and the degree of estimation and judgement in the financial results.

The Group financial statements are a consolidation of six reporting units, comprising the Group's operating businesses and holding companies. We performed full scope audits of the financial statements of the parent Company, REACT Group plc, and its UK trading and holding company subsidiaries REACT Specialist Cleaning Limited, Fidelis Contract Services Ltd, LaddersFree Ltd, 24Hr Aquaflow Services Limited and REACT SC Holdings Limited which accounted for 100% of the Group's total revenue and assets.

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025 (continued)**

**Our approach to the audit (continued)**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matters</b>	<b>How our scope addressed this matter</b>
<p><b>Impairment of goodwill and other intangible assets</b></p> <p>The group has goodwill, other intangibles, property plant and equipment and right of use assets of £14.019m.</p> <p>In accordance with accounting standards, goodwill is not amortised, but is subject to an annual impairment review through assessment of the value in use. The determination of the value in use to which the goodwill and other non-current assets are allocated involves management judgement and estimates including the discount rate and both short- and long-term growth rates.</p> <p>Furthermore, the group has recorded a loss for the year and the Group's market capitalisation is lower than the consolidated net assets.</p> <p>We therefore have determined the risk of impairment as a key audit matter.</p>	<p>We tested the judgements made by management in undertaking the impairment tests which included identifying the cash generating units, assessing the reasonableness of the discount rate used, comparing the forecasts to information used to assess going concern and challenging the robustness of the key assumptions including those around revenue growth.</p> <p>We engaged our own internal valuation experts, working with them to confirm the appropriateness of the calculation of the discount rate used.</p> <p>We also performed our own sensitivity analysis on managements impairment model to consider the impact of other plausible scenarios and we considered whether the related disclosures set out in the notes to the financial statements were adequate and appropriate.</p> <p>Nothing has come to our attention that suggests that the impairment conclusions reached by management are not appropriate.</p>
<p><b>Revenue recognition</b></p> <p>There is a rebuttable presumption that revenue recognition gives rise to a risk of material misstatement.</p> <p>We therefore have determined revenue recognition as a key audit matter.</p>	<p>We assessed the Group's revenue accounting policy as disclosed in note 2 to the financial statements to ensure revenue is recognised at the point when the satisfaction of performance obligations is fulfilled.</p> <p>We documented and evaluated the revenue processes within the Group to ensure that the capture of revenue data is accurate and within the correct accounting period.</p> <p>We specifically tested the completeness of revenue, tracing a sample of customer orders to invoice.</p> <p>Nothing has come to our attention to suggest that revenue is not recognised appropriately.</p>

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025 (continued)****Key audit matters (continued)**

<b>Key audit matters</b>	<b>How our scope addressed this matter</b>
<b>Business combinations</b>  During the year the group acquired the entire issue share capital of 24Hr Aquaflow Services Limited.  The directors have to make a number of judgements concerning the purchase consideration, given that an element of the consideration is contingent, and the fair value of separately identifiable intangibles assets and resulting goodwill which arise on consolidation. Details of the business combination are provided in note 4.  We therefore have determined business combinations as a key audit matter	We carried out a review of the fair value of the assets and liabilities acquired as identified by the directors.  We reviewed management calculations used to estimate the value of the customer lists, including customer attrition rates and we compared these to post acquisition actual events and similar previous comparable acquisitions.  We reviewed management's assessment of the contingent consideration to be paid by considering the post-acquisition performance of the acquired entities together with agreed budgets and forecasts.  Nothing has come to our attention that causes us to believe that the business combination has not been accounted for appropriately.

**Our application of materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We apply the concept of materiality, both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025 (continued)****Our application of materiality (continued)**

	Group financial statements	Company financial statements
Overall materiality	£495,000 (2024: £415,000).	£300,000 (2024: £207,000).
How we determined it	Based on 2% (2024:2%) of annualised Group revenue	Based on 2% (2024:2%) of Company gross assets
Rationale for benchmark applied	<p>We believe that revenue is the primary measure used by shareholders in assessing the performance of the Group.</p> <p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of unrecorded and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>Having considered the control environment, we have set performance materiality at 85% of materiality.</p>	<p>We believe that gross asset value is the primary measure used by shareholders in assessing the performance of the Company.</p> <p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of unrecorded and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>Having considered the control environment, we have set performance materiality at 85% of materiality.</p>

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £76,000 and £466,000. We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £25,000 (Group audit) (2024: £21,000) and £15,000 (Company audit) (2024: £10,400) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025 (continued)**

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

To evaluate the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting, we completed the following audit procedures:

- obtained an understanding of the relevant controls relating to the Group's budgeting and forecasting process;
- challenged the key assumptions underpinning the Group's forecasts; and
- assessed the appropriateness of the Group's disclosure concerning the adopting of the going concern basis of accounting.

The Directors' forecasts demonstrate that the Group can continue to trade for a period of at least 12 months from the date of approval of the financial statements.

We have reviewed the disclosures prepared by the Directors set out in Note 2 to the financial statements and consider them to be appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025 (continued)**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 25, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Group's and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the specialist cleaning sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

**Independent Auditor's Report to The Members of REACT Group PLC  
For the year ended 30 September 2025 (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of this report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Hargate FCA (Senior Statutory Auditor)**

For and on behalf of Dains Audit Limited, Statutory Auditor and Chartered Accountants

Birmingham

5 February 2026

**Consolidated Statement of Comprehensive Income**  
**For the year ended 30 September 2025**

	Notes	2025 £'000	2024 £'000
<b>Continuing Operations</b>			
Revenue	3	24,932	20,749
Cost of sales		(16,936)	(15,024)
Gross profit		7,996	5,725
Administrative expenses	6	(7,792)	(5,438)
<i>Adjusted EBITDA*</i>		3,057	2,410
<i>Depreciation</i>		(433)	(138)
<i>Amortisation</i>		(2,022)	(1,643)
<i>Exceptional items</i>		(267)	(253)
<i>Share-based payments</i>		(131)	(89)
<b>Operating profit</b>		204	287
Finance charge	7	(473)	(131)
Taxation	8	(71)	(138)
<b>(Loss)/profit for the year</b>		(340)	18
Other comprehensive Income		-	-
<b>Total comprehensive (Loss)/profit for the year attributable to the equity holders of the company</b>		<u><u>(340)</u></u>	<u><u>18</u></u>
<b>Basic and diluted earnings per share - pence</b>	9		
Basic profit per share		<u><u>(1.45p)</u></u>	<u><u>0.08p</u></u>
Diluted profit per share		<u><u>(1.45p)</u></u>	<u><u>0.08p</u></u>

The notes on pages 42 to 66 form part of these financial statements

# REACT Group PLC

## Consolidated Statement of Financial Position As at 30 September 2025

	Notes	2025 £'000	2024 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets – Goodwill	11	9,581	5,446
Intangible assets – Other	11	2,673	2,394
Property, plant & equipment	12	1,095	427
Right-of-use assets	12	670	95
Deferred tax asset	19	67	58
		14,086	8,420
<b>Current assets</b>			
Stock		4	3
Trade and other receivables	14	5,329	3,720
Cash and cash equivalents	16	1,238	1,778
		6,571	5,501
<b>TOTAL ASSETS</b>		<u>20,657</u>	<u>13,921</u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
Called-up equity share capital	17	2,955	2,694
Share premium account		1,259	10
Reverse acquisition reserve		(5,726)	(5,726)
Merger relief reserve		1,328	1,328
Share-based payments		345	214
Accumulated surplus		9,802	10,142
<b>Total Equity</b>		<u>9,963</u>	<u>8,662</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>	18		
Trade and other payables		3,112	3,240
Loans and other borrowings		1,261	235
Lease liabilities within one year		322	48
Deferred consideration within one year		917	-
Corporation tax		385	659
		5,997	4,182
<b>Non-current liabilities</b>	18		
Loans and other borrowings		2,176	452
Lease liabilities over one year		377	49
Deferred consideration over one year		1,250	-
Deferred tax liability	19	894	576
		4,697	1,077
<b>TOTAL LIABILITIES</b>		<u>10,694</u>	<u>5,259</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>20,657</u>	<u>13,921</u>

These financial statements were approved and authorised for issue by the Board of Directors on 5 February 2026 and were signed on its behalf by:

**Spencer Dredge**



**Director**

**Company Registration no. 05454010**

The notes on pages 42 to 66 form part of these financial statements

# REACT Group PLC

## Consolidated Statement of Changes in Equity For the year ended 30 September 2025

	Share capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Capital Redemption Reserve £'000	Reverse Acquisition Reserve £'000	Share-Based Payments £'000	Accumulated Surplus/(deficit) £'000	Total Equity £'000
At 1 October 2023	2,644	10,910	1,328	3,337	(5,726)	125	(4,123)	8,495
Issue of shares	50	10	-	-	-	-	-	60
Share-based payments	-	-	-	-	-	89	-	89
Capital reduction	-	(10,910)	-	(3,337)	-	-	14,247	-
Profit for the year	-	-	-	-	-	-	18	18
At 30 September 2024	<u>2,694</u>	<u>10</u>	<u>1,328</u>	<u>-</u>	<u>(5,726)</u>	<u>214</u>	<u>10,142</u>	<u>8,662</u>
Issue of shares	261	1,249	-	-	-	-	-	1,510
Share-based payments	-	-	-	-	-	131	-	131
Loss for the year	-	-	-	-	-	-	(340)	(340)
At 30 September 2025	<u>2,955</u>	<u>1,259</u>	<u>1,328</u>	<u>-</u>	<u>(5,726)</u>	<u>345</u>	<u>9,802</u>	<u>9,963</u>

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the amount subscribed for shares in excess of the nominal value, net of any directly attributable issue costs.

Merger relief reserve arises from the 100% acquisition of REACT SC Holdings Limited and REACT Specialist Cleaning Limited in August 2015 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

Accumulated surplus/(deficit) represents the cumulative profits/(losses) of the Group attributable to the owners of the company.

Reverse acquisition reserve is the effect on equity of the reverse acquisition of REACT Specialist Cleaning Limited.

The capital redemption reserve represents the value of deferred shares cancelled as a result of a share buyback.

The share-based payments reserve represents the cumulative expense in relation to the fair value of share options and warrants granted.

Following the Court hearing on the 30 April 2024, the Company affected a capital reduction by effectively cancelling both the share premium account of £10,909,617 and capital redemption reserve account of £3,336,916, enabling a distributable reserve equal to the balance of both.

The notes on pages 42 to 66 form part of these financial statements

# REACT Group PLC

## Consolidated Statement of Cash Flows For the year ended 30 September 2025

	Notes	2025 £'000	2024 £'000
<b>Cash flows from operating activities</b>			
Cash generated by operations	1	821	2,788
Net cash inflow from operating activities		<u>821</u>	<u>2,788</u>
<b>Cash flows from financing activities</b>			
Proceeds of share issue		1,115	60
Transaction costs of issuing shares		(105)	-
Lease liability payments		(260)	(42)
Bank loans		2,734	(138)
Interest paid		(473)	(113)
Net cash inflow/(outflow) from financing activities		<u>3,011</u>	<u>(233)</u>
<b>Cash flows from investing activities</b>			
Disposal of fixed assets	3	-	-
Capital expenditure		(505)	(410)
Acquisition of subsidiary, net of cash acquired		(3,870)	(2,007)
Net cash outflow from investing activities		<u>(4,372)</u>	<u>(2,417)</u>
<b>(Decrease)/increase in cash, cash equivalents and overdrafts</b>		<b>(540)</b>	<b>138</b>
<b>Cash, cash equivalents and overdrafts at beginning of year</b>		<b>1,778</b>	<b>1640</b>
<b>Cash, cash equivalents and overdrafts at end of year</b>	<b>2</b>	<b><u>1,238</u></b>	<b><u>1,778</u></b>

# REACT Group PLC

## Notes to the Consolidated Statement of Cash Flows For the year ended 30 September 2025

### 1. Reconciliation of profit for the year to cash inflow from operations

	2025 £'000	2024 £'000
(Loss)/profit after taxation	(340)	18
(Increase)/decrease in stocks	(1)	4
(Increase)/decrease in trade and other receivables	(176)	741
Decrease in trade and other payables	(953)	(105)
Depreciation and amortisation charges	2,455	1,781
Finance cost	473	131
Tax charge	71	138
Loss/(profit) on disposal of fixed assets	3	-
Share based payment	131	89
Tax paid	(842)	(9)
Net cash inflow from operations	<u><u>821</u></u>	<u><u>2,788</u></u>

### 2. Cash and cash equivalents and overdrafts

	2025 £'000	2024 £'000
Cash at bank and in hand	1,238	1,778
	<u><u>1,238</u></u>	<u><u>1,778</u></u>

# REACT Group PLC

## Company Statement of Financial Position As at 30 September 2025

	Notes	2025 £'000	2024 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	13	1,560	1,560
Property, plant and equipment	12	-	1
Right-of-use assets	12	-	8
Deferred tax asset	19	62	54
		<u>1,622</u>	<u>1,623</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	14	13,235	9,162
Cash and cash equivalents	16	142	1,004
		<u>13,377</u>	<u>10,166</u>
<b>TOTAL ASSETS</b>		<u>14,999</u>	<u>11,789</u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
Called up share capital	17	2,955	2,694
Share premium		1,259	10
Merger relief reserve		1,328	1,328
Share-based payments		345	214
Accumulated surplus		3,955	5,746
<b>Total Equity</b>		<u>9,842</u>	<u>9,992</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>	18		
Trade and other payables		1,720	1,102
Loans and other borrowings		1,261	235
Lease liabilities within one year		-	8
		<u>2,981</u>	<u>1,345</u>
<b>Non-current liabilities</b>			
Lease liabilities after one year	18	-	-
Loans and other borrowings		2,176	452
<b>TOTAL LIABILITIES</b>		<u>5,157</u>	<u>1,797</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>14,999</u>	<u>11,789</u>

These financial statements were approved and authorised for issue by the Board of Directors on 5 February 2026 and were signed on its behalf by:



**Spencer Dredge**  
**Director**  
**Company Registration no. 05454010**

The notes on pages 42 to 66 form part of these financial statements

# REACT Group PLC

## Company Statement of Changes in Equity For the year ended 30 September 2025

	Called up Share capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Capital redemption reserve £'000	Share-based payments reserve £'000	Accumulated surplus/(defic it) £'000	Total equity £'000
At 1 October 2023	2,644	10,910	1,328	3,337	125	(8,800)	9,544
Issue of shares	50	10	-	-	-	-	60
Share-based payments	-	-	-	-	89	-	89
Capital reduction	-	(10,910)	-	(3,337)	-	14,247	-
Profit for the year	-	-	-	-	-	299	299
At 30 September 2024	<u>2,694</u>	<u>10</u>	<u>1,328</u>	<u>-</u>	<u>214</u>	<u>5,746</u>	<u>9,992</u>
Issue of shares	261	1,249	-	-	-	-	1,510
Share-based payments	-	-	-	-	131	-	131
Loss for the year	-	-	-	-	-	(1,791)	(1,791)
At 30 September 2025	<u>2,955</u>	<u>1,259</u>	<u>1,328</u>	<u>-</u>	<u>345</u>	<u>3,955</u>	<u>9,842</u>

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the amount subscribed for shares in excess of the nominal value, net of any directly attributable issue costs.

Merger relief reserve arises from the 100% acquisition of REACT SC Holdings Limited and REACT Specialist Cleaning Limited in August 2015 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

Accumulated surplus/(deficit) represents the cumulative profits/(losses) of the company attributable to the owners of the company.

The capital redemption reserve represents the value of deferred shares cancelled as a result of a share buyback.

The share-based payments reserve represents the cumulative expense in relation to the fair value of share options and warrants granted.

Following the Court hearing on the 30 April 2024, the Company affected a capital reduction by effectively cancelling both the share premium account of £10,909,617 and capital redemption reserves account of £3,336,916, enabling a distributable reserve equal to the balance of both.

The notes on pages 42 to 66 form part of these financial statements

# REACT Group PLC

## Company Statement of Cash Flows For the year ended 30 September 2025

	Notes	2025 £'000	2024 £'000
<b>Net cash (used)/generated by operations</b>	<b>1</b>	(4,391)	1,160
<b>Cash flows from financing activities</b>			
Proceeds of share issue		1,115	60
Transaction costs of issuing shares		(105)	-
Lease liability payments		(8)	(9)
Loan		2,750	(138)
Finance costs		(223)	(70)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>3,529</b>	<b>(157)</b>
<b>Cash flows from investing activities</b>			
Capital expenditure		-	(1)
Net cash outflow from investing activities		-	(1)
<b>(Decrease)/increase in cash and equivalents</b>		<b>(862)</b>	<b>1,002</b>
Cash and cash equivalents at beginning of year		1,004	2
<b>Cash and cash equivalents at end of year</b>	<b>2</b>	<b>142</b>	<b>1,004</b>

# REACT Group PLC

## Notes to the Company Statement of Cash Flows For the year ended 30 September 2025

### 1. Reconciliation of (Loss)/profit for the year to cash from operations

	2025 £'000	2024 £'000
(Loss)/profit for the year	(1,791)	299
(Increase)/decrease in trade and other receivables	(3,573)	1,134
Increase in trade and other payables	618	845
Depreciation and amortisation charges	9	26
Finance costs	223	70
Tax charge	(8)	83
Share-based payment	131	89
Write back on impaired investment	-	(1,386)
 Net cash (used)/generated from operations	 <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>	 <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>
	(4,391)	1,160

### 2. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>

# **REACT Group PLC**

## **Notes to the Financial Statements For the year ended 30 September 2025**

### **1. General Information**

#### **Basis of preparation and consolidation**

The Company is a public company, limited by shares, based in the United Kingdom and incorporated in England and Wales. Details of the registered office, the officers and advisors to the Company are presented on the Company Information page at the start of this report.

The consolidated financial statements present the results of the company and its subsidiaries ('the Group') as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The functional and presentational currency of the Group is pounds sterling. The figures presented have been rounded to the nearest one thousand pounds.

The equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, REACT Group PLC, including the equity instruments issued in order to effect reverse acquisition accounting. The merger relief reserve represents a premium on the issue of the ordinary shares for the acquisition of subsidiary undertakings. The relief is only available to the issuing company securing at least a 90% equity holding in the acquired undertaking in pursuance of an arrangement providing for the allotment of equity shares in the issuing company on terms that the consideration for the shares allotted is to be provided by the issue of equity shares in the other company.

### **2. Accounting Policies**

#### **Statement of compliance**

The consolidated financial statements of REACT Group PLC have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively 'IFRSs') and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention. The principal accounting policies are summarised below. They have all been applied consistently throughout the year under review.

#### **Going concern**

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have looked at the budget for the next 12 months from the date of this report, the cash at bank available as at the date of approval of this report and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 2. Accounting Policies (continued)

#### New, amended standards, interpretations not adopted by the Group

The Group has applied the following new standards and interpretations for the first time for our annual reporting period ended 30 September 2025:

IAS1 Amendment: Non-current liabilities with covenants

IFRS16 Amendment: Lease liability in a sale and leaseback

IAS7 and IFRS7 Amendment: Supplier finance arrangements

#### IFRS standards effective from 1 January 2025 onwards

IAS Amendment: Lack of exchangeability

The adoption of the above-mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Group or Company's financial statements.

#### Revenue recognition

Revenue is recognised in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue in the accounting period in which its services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

#### Taxation

The tax expense/(credit) represents the sum of the tax currently payable and deferred tax.

##### (i) Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules using tax rates enacted or substantially enacted by the statement of financial position date. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

**Notes to the Financial Statements  
For the year ended 30 September 2025**

**2. Accounting Policies (continued)**

**(ii) Deferred tax**

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carrying forward or unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

**Investments**

Investments in subsidiaries are held at cost less any impairment.

**Financial assets and liabilities**

The Group classifies its financial assets at inception into three measurement categories; 'amortised cost', 'fair value through other comprehensive income' ('FVOCI') and 'fair value through profit and loss' ('FVTPL'). The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction cost that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

*Amortised cost measurement*

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

*Fair value measurement*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 2. Accounting Policies (continued)

#### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership. In a transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises a financial liability when its contractual obligation is discharged, cancelled or expired.

#### *Impairment*

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of loss is recognised in the Statement of Comprehensive Income.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and balances drawn on the invoice discounting facility.

#### **Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Where a right-of-use-asset is recognised, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its asset specific risk adjusted incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**Notes to the Financial Statements  
For the year ended 30 September 2025****2. Accounting Policies (continued)**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as a separate line in the statement of financial position

**Stock**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the price at which stock can be sold in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective stock.

**Trade and other receivables**

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to the initial recognition, trade and other receivables are measured at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts. Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

**Trade and other payables**

Trade and other payables are initially recognised at fair value and thereafter stated in amortised cost, except where the payables are interest free loans made by related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at cost.

**Impairment of non-financial assets**

At each statement of financial position date, the Group reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Notes to the Financial Statements  
For the year ended 30 September 2025****2. Accounting Policies (continued)****Capital management**

Capital is made up of stated capital, premium and retained earnings. The objective of the Group's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The Group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the year ended 30 September 2025.

**Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share premium.

**Share-based compensation**

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

**Property, plant and equipment**

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Leasehold property	20% - 36%
Vehicles	20% - 25%
Fixtures, fittings & equipment	10% - 50%
Right of use assets	20% - 33%

Useful lives and depreciation methods are reviewed and adjusted if appropriate, at the end of each reporting period.

**Notes to the Financial Statements  
For the year ended 30 September 2025****2. Accounting Policies (continued)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the period in which the asset is derecognised.

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group. They are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

**Intangibles**

Goodwill represents the excess of the cost of acquisition over the company's interest in the fair value of the identifiable assets and liabilities of a business acquired at the date of acquisition.

Goodwill is recognised as an asset, reviewed for impairment at least annually and carried at cost less accumulated impairment losses. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Purchased goodwill is deemed to have an indefinite useful life due to the expectation of the acquired business to operate in perpetuity, so is not amortised.

Customer list represents the value placed on the retained customer list at the acquisition date. The value recognises that customers, although contracted to the company are not under an obligation to use the company services.

The customer list will be amortised over a period of 4 years. An impairment review will be conducted each year and will look at significant changes in the turnover received from major customers.

**Employee benefit costs**

The group operates a defined contribution pension scheme for eligible employees. Contributions payable are charged to the income statement in the period to which they relate.

**Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

The resulting accounting estimates will, by definition, differ from the related actual results.

- **Estimated impairment of goodwill and other intangible assets**

The Directors have carried out a detailed impairment review in respect of goodwill and other intangible assets. The Group assesses at each reporting date whether there is an indication that an asset maybe impaired, by considering the net present value of discounted cashflow forecasts which have been discounted at 13%. The cashflow projections are based on the assumption that the Group can realise projected sales.

- **Share-based payments**

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

**Notes to the Financial Statements  
For the year ended 30 September 2025**

**2. Accounting Policies (continued)**

**• Trade receivables provision**

Estimate Trade receivables are initially recognised at invoiced value. Where specific amounts remain outstanding or disputed beyond their agreed settlement date management, having reviewed all commercial documentation, proof of delivery and credit risk of the customer, apply judgement as to the likelihood of the future settlement. This judgement will be influenced by the passage of time, the documentation available and previous experience of collection of past due invoices with that customer and the Group's customer base in general.

In addition, where the Group has historic experience of a rate of loss against a specific group of receivables (or where circumstances are indicative of a likely future change in the rate of estimated loss) then a change in that estimated loss rate would alter the impairment provision recognised.

**• Business combination**

The directors have to make a number of judgements concerning the purchase consideration, and the separately identifiable intangible assets and resulting goodwill. The directors have assessed the contingent consideration to be paid by considering the post-acquisition performance of the acquired entity together with agreed budgets and forecasts. The directors have estimated the value of the customer lists acquired, taking into account expected customer attrition rates, and have compared this to pre and post actual events.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 3. Segmental Reporting

In the opinion of the Directors, the Group has one class of business, with the following specialisms, in specialist cleaning, decontamination and hygiene sector, contracted commercial cleaning, commercial window cleaning and specialist emergency decontamination work. Although the Group operates in only one geographic segment, which is the UK, it has also analysed the sources of its business into the segments of Contract Maintenance, Contract Reactive or Ad Hoc work.

	2025				
	Contract Maintenance £000	Contract Reactive £000	Ad Hoc £000	Plc/Holdings Ltd £000	Total £000
Revenue	16,456	3,361	5,115	-	24,932
Cost of sales	(10,408)	(2,069)	(2,804)	-	(15,281)
Direct costs	(920)	(297)	(438)	-	(1,655)
Gross profit	5,128	995	1,873	-	7,996
Administrative Expenses	(2,483)	(610)	(1,107)	(3,592)	(7,792)
Operating Profit/(loss) for the year	2,645	385	766	(3,592)	204
Adjusted EBITDA	2,921	454	887	(1,205)	3,057
Total Assets	6,938	404	1,069	12,246	20,657
Total Liabilities	(3,578)	(140)	(560)	(6,416)	(10,694)
	2024				
	Contract Maintenance £000	Contract Reactive £000	Ad Hoc £000	Plc/Holdings Ltd £000	Total £000
Revenue	15,450	2,629	2,670	-	20,749
Cost of sales	(10,297)	(1,899)	(1,818)	-	(14,014)
Direct costs	(699)	(156)	(155)	-	(1,010)
Gross profit	4,454	574	697	-	5,725
Administrative Expenses	(1,994)	(330)	(409)	(2,705)	(5,438)
Operating Profit/(loss) for the year	2,460	244	288	(2,705)	287
Adjusted EBITDA	2,575	278	322	(765)	2,410
Total Assets	4,079	441	661	8,740	13,921
Total Liabilities	(3,061)	(286)	(450)	(1,462)	(5,259)

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 4. Business combinations

On 25 October 2024, the Group acquired 100% of the issued share capital and voting rights of 24hr Aquaflow Services Limited ('Aquaflow'), a successful commercial drainage and plumbing business headquartered in Essex providing services to customers based in London and the South East of England. The acquisition is expected to be earnings enhancing and accretive, and along with broadening the Groups service offering as well as enlarging the Groups client base, we anticipate the combination will enable cross selling of wider group services.

Aquaflow was acquired for an initial consideration of £5,069,000, payable as £4,116,000 in cash and £500,000 through the issue of new ordinary shares as equity consideration and deferred consideration of £453,000. A further £2,019,000 of contingent consideration is payable subject to Aquaflow meeting certain performance conditions over a two year earn out period. The acquisition has a total capped consideration of £7,088,000 should the performance conditions be fully met.

The fair value of the acquired customer list and customer contracts has been assessed as at the point of acquisition. The fair value of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows.

Acquisition costs of £148,000 are not included as part of the consideration transferred and are recognised as an expense in the Consolidated Statement of Comprehensive Income.

#### a) Subsidiaries acquired

Name	24hr Aquaflow Services Limited
Principal activity	Commercial Drainage and Plumbing
Date of acquisition	25 October 2024
Proportion of voting equity interests Acquired	100%
Consideration	£7,088,000

#### b) Consideration

	£'000
Cash	4,116
Equity issued	500
Deferred consideration arrangement (included in Other Creditors)	2,472
Total consideration transferred	<u>7,088</u>

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

c) Assets and liabilities recognised on the date of acquisition	£'000
Non-current assets	880
Separately identifiable intangible assets arising on business combination	2,301
Deferred tax liability recognised on intangible assets arising on business combination	(575)
Current assets	1,992
Non-current liabilities	(388)
Current liabilities	(1,257)
Net assets acquired	<u><u>2,953</u></u>
d) Goodwill arising on acquisition	£'000
Consideration transferred	7,088
Fair value of identifiable net assets acquired	<u>(2,953)</u>
Goodwill acquired	<u><u>4,135</u></u>
e) Net cash outflow on acquisition	£'000
Consideration paid in cash	4,116
less: cash balance acquired	<u>(551)</u>
	<u><u>3,565</u></u>

24hr Aquaflow Services Limited contributed £6,163,347 of revenue and £1,333,887 operating profit to the group for the period between the date of acquisition and the balance sheet date. If the acquisition had occurred on 1 October 2024, pro forma revenue and operating profit contribution would have been £6,599,437 and £1,476,482 respectively.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 5. Employees and Directors

	2025 £'000	2024 £'000
Wages and salaries	12,412	9,560
Social security costs	1,130	626
Pension contributions	191	138
Share based payments	131	89
	<u>13,864</u>	<u>10,413</u>

The average monthly number of employees:

Directors	5	5
Operators and administration staff	423	367
	<u>428</u>	<u>372</u>

The number of directors to whom retirement benefits were accruing under money purchase schemes 3 3

The number of directors who exercised share options during the year - 1

The number of directors who received share options during the year - 1

Details of emoluments received by Directors of the Group for the year ended 30 September 2025 were as follows:

	Salaries £'000	Other £'000	Share based payment £'000	2025 £'000	2024 £'000
				2025 £'000	2024 £'000
M Braund	144	12	24	180	169
R Gilbert	24	-	-	24	24
M Joyce	30	-	-	30	30
S Doak	188	13	24	225	184
A Pankhurst (resigned February 2024)	-	-	-	-	9
S Dredge	168	13	45	226	119
<b>Total</b>	<b>554</b>	<b>38</b>	<b>93</b>	<b>685</b>	<b>535</b>

The key management personnel are the Directors and therefore disclosure is the same as the above.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 6. Administrative expenses

	2025 £'000	2024 £'000
Auditor remuneration		
– audit fees (Company £7,000; 2024: £6,500)	74	50
– other services	-	-
Staff costs (note 5)	13,864	10,413
Less staff costs included in cost of sales	(10,413)	(8,011)
Recruitment	17	30
Legal and professional fees (incl AIM related costs)	212	203
Property costs	249	69
Travel expenses	224	108
Insurance	179	150
Marketing	234	202
Provision against bad debts and accrued income	68	8
Other expenses	481	322
Depreciation & amortisation	2,455	1,781
Acquisition costs	148	113
	<hr/> <u>7,792</u>	<hr/> <u>5,438</u>

In the year there were £267,000 acquisition, impairment and restructuring costs included in administrative expenses (2024: £253,000) as follows:

	2025 £'000	2024 £'000
Restructuring costs relating solely to the exit costs of senior employees	41	-
Acquisition costs – Fidelis	-	88
Acquisition costs – 24hr Aquaflow	148	25
Integration and Re-organisational costs	78	140
	<hr/> <u>267</u>	<hr/> <u>253</u>

### 7. Finance Costs

	2025 £'000	2024 £'000
Lease liability interest on:		
– Land and buildings	25	2
– Other	52	2
Interest on deferred consideration	173	-
Loan interest	223	127
	<hr/> <u>473</u>	<hr/> <u>131</u>

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 8. Taxation

	2025 £'000	2024 £'000
Current tax	(504)	(507)
Adjustment: prior periods	85	102
	<hr/>	<hr/>
Deferred tax	(419)	(405)
	348	267
	<hr/>	<hr/>
Tax (charge)/credit	(71)	(138)

#### *Analysis of tax expense:*

	2025 £'000	2024 £'000
(loss)/profit on ordinary activities before income tax	<hr/>	<hr/>
	(269)	156
Profit on ordinary activities multiplied by the standard rate of corporation tax in UK of 25% (2024: 25%)	(67)	39
Effects of:		
Expenses not deductible for tax	160	130
Adjustments relating to previous periods	(22)	(28)
Other timing differences	<hr/>	<hr/>
	-	(3)
Corporation tax charge/(credit)	<hr/>	<hr/>
	71	138

The Group has estimated excess management expenses carried forward of approximately £200,000 (2024: £200,000). The tax losses have resulted in a deferred tax asset of approximately £51,000 (2024: £51,000) which together with other temporary items has been recognised as the positive trading outlook for the Group means that there is likely to be sufficient future taxable profits to utilise the remaining losses.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 9. Earnings per Share (basic and adjusted)

The calculations of earnings/(loss) per share (basic and adjusted) are based on the net (loss)/profit and adjusted EBITDA per share (before; interest, tax, depreciation, amortisation of acquired intangible assets, exceptional items and share-based payments).

For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares.

	2025 £'000	2024 £'000
(Loss)/profit for the financial period	(340)	18
Finance cost	473	131
Taxation	71	138
Operating profit	204	287
Adjustments:		
Depreciation	433	138
Amortisation	2,022	1,643
Exceptional items	267	253
Share based payments	131	89
Adjusted EBITDA	3,057	2,410

	Number	Number
Weighted average shares in issue for basic earnings per share	23,476,719	21,551,761
Weighted average dilutive share options and warrants	2,322,884	2,042,097
Average number of shares used for dilutive earnings per share	25,799,603	23,593,858

	pence	pence
Basic profit/(loss) per share	(1.45p)	0.08p
Diluted profit/(loss) per share	(1.45p)	0.08p
Adjusted EBITDA earnings per share	13.02p	11.18p
Adjusted diluted EBITDA earnings per share	11.85p	10.22p

### 10. Company's result for the year

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement account. The result for the parent company for the year was a loss of £1,791,000 (2024: profit of £299,000).

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 11. Intangible assets

Group	Goodwill £'000	Customer List £'000	Total £'000
<b>Cost</b>			
As at 1 October 2023 and 30 September 2024	7,119	6,570	13,689
Additions	4,135	2,301	6,436
As at 30 September 2025	<b>11,254</b>	<b>8,871</b>	<b>20,125</b>
<b>Amortisation and impairment</b>			
As at 1 October 2023	1,673	2,533	4,206
Amortisation charge for the year	-	1,643	1,643
As at 30 September 2024	<b>1,673</b>	<b>4,176</b>	<b>5,849</b>
Amortisation charge for the year	-	2,022	2,022
As at 30 September 2025	<b>1,673</b>	<b>6,198</b>	<b>7,871</b>
<b>Carrying amount</b>			
As at 1 October 2023	<b>5,446</b>	<b>4,037</b>	<b>9,483</b>
As at 30 September 2024	<b>5,446</b>	<b>2,394</b>	<b>7,840</b>
As at 30 September 2025	<b>9,581</b>	<b>2,673</b>	<b>12,254</b>

The goodwill relates to intangible assets that do not qualify for separate recognition on the acquisition of 24hr Aquaflow, LaddersFree, Fidelis and the REACT Specialist cleaning services business.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering the net present value of discounted cash flow forecasts. Goodwill has been allocated for impairment testing purposes to the individual businesses acquired which are also the cash-generating units ("CGU") identified. The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors. The projections are based on the assumption that the company can realise projected sales. A prudent approach has been applied with no residual value being factored into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired. A pre-tax discount rate of 13% per annum has been applied to the cashflow projections, taking into consideration the expected rate of return and various risks relating to the CGU.

The key assumptions used in the estimation of the revised value of Purchased Goodwill are set out below. The values assigned to the key assumptions represent management's assessment of future revenues and cash flows of the CGU. The most recent financial results and forecast approved by management for the next five years were used and a nil terminal growth rate thereafter. The projected results were discounted at a rate which is a prudent evaluation of the time value of money and the risks specific to the CGU.

Key assumptions used:

	%
Average revenue growth rate (of next five years)	5
Terminal value growth rate	0
Discount rate	13

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 12. Property, Plant and equipment

Group	Leasehold property £'000	Vehicles £'000	Fixtures, fittings & equipment £'000	Right-of- Use Assets £'000	Total £'000
<b>Cost</b>					
At 1 October 2023	2	127	346	227	702
Additions	2	-	345	62	409
Disposals	-	-	-	(78)	(78)
At 30 September 2024	<b>4</b>	<b>127</b>	<b>691</b>	<b>211</b>	<b>1,033</b>
Assets Acquired	-	179	792	553	1,524
Additions	13	16	476	362	867
Disposals	-	(117)	(11)	(189)	(317)
At 30 September 2025	<b>17</b>	<b>205</b>	<b>1,948</b>	<b>937</b>	<b>3,107</b>
<b>Depreciation</b>					
At 1 October 2023	2	82	219	149	452
Charge for the year	1	28	65	45	139
Disposals	-	-	-	(78)	(78)
At 30 September 2024	<b>3</b>	<b>110</b>	<b>284</b>	<b>116</b>	<b>513</b>
Assets Acquired		112	531	-	643
Charge for the year	4	42	112	275	433
Disposals	-	(107)	(16)	(124)	(247)
At 30 September 2025	<b>7</b>	<b>157</b>	<b>911</b>	<b>267</b>	<b>1,342</b>
<b>Net book value</b>					
At 1 October 2023	-	45	127	78	250
At 30 September 2024	<b>1</b>	<b>17</b>	<b>407</b>	<b>95</b>	<b>520</b>
At 30 September 2025	<b>10</b>	<b>48</b>	<b>1,037</b>	<b>670</b>	<b>1,765</b>

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

Company	Fixtures, fittings & equipment £'000	Right-of- Use Assets £'000	Total £'000
<b>Cost</b>			
At 1 October 2023	50	37	87
Additions	1	-	1
At 30 September 2024	<u>51</u>	<u>37</u>	<u>88</u>
Disposals	-	(37)	(37)
At 30 September 2025	<u>51</u>	<u>-</u>	<u>51</u>
<b>Depreciation</b>			
At 1 October 2023	33	20	53
Charge for the year	17	9	26
At 30 September 2024	<u>50</u>	<u>29</u>	<u>79</u>
Charge for the year	1	8	9
Disposals	-	(37)	(37)
At 30 September 2025	<u>51</u>	<u>-</u>	<u>51</u>
<b>Net book value</b>			
At 30 September 2023	<u>17</u>	<u>17</u>	<u>34</u>
At 30 September 2024	<u>1</u>	<u>8</u>	<u>9</u>
At 30 September 2025	<u>-</u>	<u>-</u>	<u>-</u>

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 13. Investment in subsidiary undertakings

<b>Company</b>	
<b>Cost</b>	
At 1 October 2024 and 30 September 2025	<u>1,560</u>
<b>Impairment</b>	
At 1 October 2024 and 30 September 2025	<u>-</u>
<b>Carrying amount</b>	
At 30 September 2024 and 30 September 2025	<u>1,560</u>

As at 30 September 2025, the company held the following subsidiaries:

<b>Name of company</b>	<b>Principal activities</b>	<b>Country of incorporation and place of business</b>	<b>Proportion of equity interest of ordinary shares</b>
REACT SC Holdings Limited	Holding company	United Kingdom	100%
REACT Specialist Cleaning Limited (held indirectly by REACT SC Holdings Limited)	Specialist cleaning & decontamination services	United Kingdom	100%
Fidelis Contract Services Ltd (held indirectly by REACT SC Holdings Limited)	Commercial cleaning, hygiene & support services	United Kingdom	100%
LaddersFree Ltd (held indirectly by REACT SC Holdings Limited)	Commercial window, gutter and cladding cleaning services	United Kingdom	100%
24hr Aquaflow Services Ltd (held indirectly by REACT SC Holdings Limited)	Drainage and Plumbing Services	United Kingdom	100%

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 14. Trade and other receivables

Current	Note	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Trade receivables		4,749	3,102	-	-
Provision for impairment	15	(66)	(9)	-	-
Net trade receivables		4,683	3,093	-	-
Amounts owed by Group undertakings		-	-	13,217	9,156
Prepayments and accrued income		584	620	18	6
Other debtors		62	7	-	-
		<b>5,329</b>	<b>3,720</b>	<b>13,235</b>	<b>9,162</b>

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The Group's impairment and other accounting policies for trade and other receivables are outlined in note 2.

### 15. Provision for impairment of receivables

Provision for impairment of receivables	Group	Group
Relating to debt over 3 months past due	2025 £'000	2024 £'000
Opening provision	9	12
Amounts provided/(released) in the year	62	3
Amounts utilised in the year	(5)	(6)
Closing provision	<b>66</b>	<b>9</b>

There are no receivables in the Company, as all are held by the trading subsidiaries, REACT Specialist Cleaning Limited, Fidelis Contract Services Ltd, LaddersFree Ltd and 24hr Aquaflow Services Ltd.

As at 30 September 2025, excluding balances provided for by the impairment provision, £723,000 (2024: £612,000) of trade receivables were past their due settlement date but not impaired.

The ageing analysis of these trade receivables is as follows:

	2025 £'000	2024 £'000
Up to 3 months past due	343	278
3 to 6 months past due	233	101
Over 6 months past due	147	233
	<b>723</b>	<b>612</b>

The expected credit loss in respect of debt not due and past due is considered immaterial.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 16. Cash and cash equivalents

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Cash at bank and in hand	1,283	1,778	142	1,004

### 17. Called Up Share Capital

	2025 £'000	2024 £'000
Issued share capital comprises:		
23,636,610 (2024: 21,551,761) Ordinary shares of 12.5p each (2024: 12.5p)	2,955	2,694

During the prior year the Company issued 2,084,849 new ordinary shares via; 617,284 shares were issued as equity consideration on the 25 October 2024 at 81p per share, a Placing arrangement on the 29 October issuing 1,358,025 new ordinary shares at 81p per share and an exercise of 109,540 share options by a former Company director.

109,540 Shares options were exercised on the 8 November 2024 as follows: 41,541 share options at a strike price of 15p, and 68,000 share options at a strike price of 12.5p. The transactions combined to result in an increase to the Company's share capital of £13,693 and an increase of £1,038 to its share premium.

### 18. Trade and other payables

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
<b>Current:</b>				
Trade payables	1,215	1,182	43	89
Accrued expenses	959	741	119	89
Amounts owed to Group undertakings	-	-	1,518	897
Social security and other taxes	938	1,317	40	27
Lease liability	322	48	-	8
Deferred Consideration	917	-	-	-
Loans	1,261	235	1,261	235
Corporation tax payable	385	659	-	-
	5,997	4,182	2,981	1,345
<b>Non-current:</b>				
Lease liability	377	49	-	-
Deferred Consideration	1,250	-	-	-
Loans	2,176	452	2,176	452
Deferred Tax	894	576	-	-
	4,697	1,077	2,176	452
	10,694	5,259	5,157	1,797

Bank borrowings totalling £3,437,000 (2024: £687,000) are secured by a fixed and floating charge over all assets of the group.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 19. Deferred Tax

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2024: 25%), the movement on the deferred tax asset/(liability) is as shown below:

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 1 October	(518)	(785)	54	137
Charge/(credit) for year	430	341	8	(15)
Adjustments relating to previous periods	(82)	(74)	-	(68)
Liability acquired	(657)	-	-	-
At 30 September	<u>(827)</u>	<u>(518)</u>	<u>62</u>	<u>54</u>

The deferred taxation asset and liability are made up as follows:

	Group 2025 £'000		Group 2024 £'000		Company 2025 £'000	Company 2024 £'000
	Asset	Liability	Asset	Liability	Asset	Asset
Accelerated capital allowances	-	-	2	-	-	-
Tax losses carried forward	51	-	51	-	51	51
Other timing differences	16	(894)	5	(576)	11	3
	<u>67</u>	<u>(894)</u>	<u>58</u>	<u>(576)</u>	<u>62</u>	<u>54</u>

### 20. Related Party Disclosures

During the year ended 30 September 2025, the Group made purchases of £108,080 from companies controlled by directors (2024: £78,806).

### 21. Ultimate Controlling Party

No one shareholder has control of the company.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

### 21. Warrants

As a result of the share consolidation in 2024, the number of warrants and exercise price have been updated for the 50:1 share consolidation.

During the prior year, there were two exercises of share warrants; 21 December 2023 200,000 and 16 April 2024 198,790, resulting in no outstanding warrants at 30 September 2024 and 2025.

	Number of warrants		Average exercise price	
	2025	2024	2025	2024
	No.	No.	£	£
Outstanding at the beginning of the year	-	398,790	-	0.15
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Exercised during the year	-	(398,790)	-	0.15
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

£Nil (2024: £Nil) has been recognised during the year for the share warrants over the vesting period.

### 22. Share options

The company has implemented a share option programme to grant share options as an incentive for employees. Each share option converts into one ordinary share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option and the company has no legal obligation to repurchase or settle the options in cash. The options carry neither rights to dividends nor voting rights prior to the date on which the options are exercised. Options may be exercised at any time from the date of vesting to the date of expiry.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Average exercise price	
	2025	2024	2025	2024
	No.	No.	£	£
Outstanding at the beginning of the year	2,422,364	1,754,386	0.129	0.130
Granted during the year	-	910,000	-	0.125
Exercised during the year	(109,541)	-	0.130	-
Lapsed during the year	(150,000)	(242,022)	0.125	0.125
Outstanding at the end of the year	<u>2,162,823</u>	<u>2,422,364</u>	<u>0.129</u>	<u>0.129</u>

**Notes to the Financial Statements**  
**For the year ended 30 September 2025**

The fair value of the share options has been derived using the Black Scholes model. The fair values of the share options and the key related assumptions used in the calculations are as follows:

	<b>Fourth Issue</b>	<b>Third Issue</b>	<b>Second Issue</b>	<b>First Issue</b>
Date of grant	7 June 2024	30 November 2022	9 December 2020	17 May 2019
No of options outstanding	760,000	825,724	170,000	407,099
Exercise price	£0.125	£0.125	£0.125	£0.15
Risk-free interest rate	5.20%	2.93%	0.10%	0.58%
Volatility	46%	48%	25%	25%
Expected life	5 years	5 years	5 years	5 years
Charge for year ended 30 September 2025	£73,000	£58,000	-	-

Expected volatility is based on conservative estimates for the company. The expected lives used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Options shall vest and become capable of exercise in specified quantities if the mid-market price (as derived from the AIM Appendix of the Daily Official List and as certified in writing by the Company's stockbrokers) equals or exceeds a series of defined Share Hurdle Prices between £1 and £2 for either 5 or 10 consecutive business days at any time or times during the vesting period. £131,000 (2024: £89,000) has been recognised during the year for the share-based payments over the vesting period.

**23. Financial risk management, objectives and policies**

The Group's financial instruments comprise cash balances and receivables and payables that arise directly from its operations. The main risks the Group faces are liquidity risk and capital risk.

The board regularly reviews and agrees policies for managing each of these risks. The Group's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and their carrying amount is considered to be a reasonable approximation of their fair value.

**Interest risk**

The Group is exposed to interest risk in relation to its Invoice Discounting Facility and its five- year loan. Treasury Management activities include active management of available resources utilising banking deposit facilities that attract a higher rate of interest.

**Credit risk**

The Group is exposed to credit risk as services are invoiced on completion. This risk is mitigated as most large customers have been customers for several years and have exemplary credit ratings. The board also ensure robust procedures are in place to ensure all services are invoiced promptly and all payments received in a timely manner.

As at the year-end, 15% of debtors included in trade receivables are past their due dates. Included in trade receivables are provisions of £66,000.

**Liquidity risk**

Liquidity risk is the risk that Group will encounter difficulty in meeting the obligations associated with financial liabilities.

# REACT Group PLC

## Notes to the Financial Statements For the year ended 30 September 2025

The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the Group's short term and long-term funding risks management requirements.

During the year under review, the Group has made use of borrowing in the form of its Invoice Discounting facility and a five-year loan. The Group manages liquidity risks by maintaining adequate reserves and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Capital risk

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

### 24. Lease liabilities

At 30 September 2025, the maturity of the Group's gross contractual undiscounted cashflows due on the Group's lease liabilities (excluding short-term and low-value leases) is set out below:

	2025	2025	2025	2024
Group	Land and Buildings £'000	Other £'000	Total £'000	Total £'000
Discounted future cash flows;				
Not later than one year	(132)	(189)	(321)	(48)
Later than one year and not later than five years	(77)	(301)	(378)	(49)
Later than five years	-	-	-	-
Total discounted future cash flows at 30 September	<u>(209)</u>	<u>(490)</u>	<u>(699)</u>	<u>(97)</u>
Company	Land and Buildings £'000	Other £'000	Total £'000	Total £'000
Discounted future cash flows;				
Not later than one year	-	-	-	(8)
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total discounted future cash flows at 30 September	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>

# REACT Group PLC

## Company Information

**Directors:**

Robert Gilbert  
Michael Joyce  
Shaun Doak  
Spencer Dredge  
Mark Braund

**Company Secretary:**

Spencer Dredge

**Registered number:**

05454010

**Registered office:**

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**Auditors:**

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**Nominated Adviser & Broker:**

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