Coheckit Powering Predictive Operations

Half Year Report 2025

Company overview

Checkit powers Predictive Operations for large facilities and multi-site organisations. By enabling them to move beyond outdated, reactive ways of working to automated data collection, digitised workflows, and Al-driven intelligence, we empower organisations to increase compliance, safety, and bottom-line revenue.

Our services are delivered to hundreds of customers across the globe, including Global Fortune 500 companies and public health organisations. Our customers use Checkit to digitise manual processes with our highly configurable platform and top-of-the-line integrated sensors, enhanced by Al and ML. In the last year our platform handled 12 billion+ sensor readings and 10 million+ completed workflows, delivering unmatched efficiency, safety, and total operational visibility.

Predictability + Scalability + Simplicity = Predictive Operations

Checkit is transforming how forward-thinking digital-first organisations execute frontline work, blending execution, automation, and intelligence across every business function.

We connect people, assets, and workflows to generate performance data that informs operational strategy, execution, and compliance. Our single-source digital solution is proven to unlock efficiencies at scale, driving down costs and risk while elevating service delivery at the frontline.

Predictive Operations deliver clarity to business leaders — enabling them to see, understand, and optimise enterprise-wide processes and asset utilisation with ease.

For further information, please visit www.checkit.net or contact:

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Checkit plc ("Checkit", the "Company" or the "Group")

Half Year Results for the Six Months Ended 31 July 2025

Significant improvement in financial performance achieved in H1 and further improvements expected in the second half. Pipeline close to an all-time high

H1 FY26 Highlights

Further material progress towards profitability, with

£3 million

of annualised cost savings (completed in June) driving a 65% improvement in adjusted LBITDA¹ to £0.5m (H1 FY25: £1.4m).

Gross profit margin increased to

71% (H1 FY25: 68%)

Annual Recurring Revenue² ("ARR") increased by 3% on a constant currency basis² to

£14.0m

(H1 FY25: £13.8m or £13.6m at constant currency²). Excluding the impact of a large US customer scaling back unused services (£0.4m ARR reduction), underlying ARR grew by 5% on a constant currency basis.

Recurring revenue grew by

6% to £6.6m

while total revenue increased by 3% to £6.9m (H1 FY25: recurring revenue £6.3m, total revenue £6.7m).

Twelve-month rolling adjusted net revenue retention³ ("NRR") was

104%

and gross revenue retention³ ("GRR") was 93% (H1 FY25 NRR: 109%, GRR: 95%).

Two large US customers renewed on new three-year terms with a combined total contract value of

£5_m

Cash at the half-year was

£2.7m

(£5.1m at 31 January 2025).

Increasing Company use of AI in product development has improved productivity. This is enabling a faster time to market for new features and at the same time is reducing costs.

- 1 Adjusted LBITDA is the loss on operating activities before depreciation and amortisation, share based payment charges and non-recurring or special items.
- 2 Annual Recurring Revenue ("ARR") is defined as the annualised value of contracted recurring revenue from subscription services as at the period end, including committed but yet to commence annual recurring revenue. Constant currency comparatives for ARR and ARR growth are calculated using the prevailing exchange rates at 31 July 2025.
- 3 Net revenue retention ("NRR") is defined as the amount of recurring revenue from existing customers retained over the year, excluding new wins in the last 12 months. Gross revenue retention ("GRR") is defined as the amount of recurring revenue from existing customers retained over the period, excluding new wins or upsell/expansion in the period.

Outlook

- The cost reduction programme announced in April 2025 has delivered a material improvement in adjusted LBITDA and reinforced the Board's confidence in the Company's drive towards profitability.
- The Board expects full-year results to be in line with market expectations and remains focused on delivering growth, while maintaining operational efficiency and disciplined cost control.
- The Company remains on track to achieve adjusted EBITDA profitability and cash flow breakeven during calendar year 2026.

Kit Kyte, CEO of Checkit, commented:

"Despite challenging market conditions, Checkit has delivered a solid operational and financial performance. We have taken difficult but necessary actions to strengthen the foundations of the business, and now our focus is on accelerating growth. Encouraging pipeline momentum, coupled with a sharpened sales process, increasingly gives us confidence in the future."

Chief Executive Officer's Statement

Executing on strategy: growth and profitability in focus



Kit KyteChief Executive
Officer

Amid challenging market conditions, Checkit delivered a resilient operational and financial performance in the first half of FY26. Year-on-year, ARR and revenue continued to grow, driven by expansion within the existing customer base, which more than offset an expected contraction from a large US customer. The Group also continued to make clear progress toward EBITDA profitability, supported by strong customer renewals, disciplined execution, and a focused approach to operational efficiency.

We renewed contracts with two large US customers under new three-year agreements, a validation of the mission-critical nature of our platform and the strength of our customer relationships. These renewals, along with an improved quality of sales pipeline and targeted action on new logo acquisition, set a strong foundation for the future.

We completed a targeted programme of cost reduction, delivering meaningful savings that began benefiting profitability and cash flow from June 2025 onwards. This leaves us well-positioned to deliver on our goal of reaching EBITDA profitability and cash flow breakeven in calendar year 2026.

We are increasing the use of AI tools within our business, particularly in product development. This enables us to produce new features significantly more quickly and cost effectively. While customer adoption of AI is at an early stage, Checkit's position as a generator, collator and analysis enabler of large operational datasets places the Group in a strong position to develop compelling AI-related value propositions over time.

Strategy

Checkit's strategy remains centred on becoming the leader in augmented workflow management through a subscription-based platform that enables data-driven decision making across frontline operations. Our growth model is driven by the principle of land and expand, supported by a strong emphasis on product innovation, customer retention, and market expansion. We continue to target attractive verticals such as healthcare, biopharma, retail, facilities management, and franchised operations across the UK, continental Europe, Australasia and the US.

Financial Performance

ARR increased by 3% to £14.0m on a constant currency basis (H1 FY25: £13.8m, or £13.6m at constant currency). Recurring revenue rose by 6% to £6.6m, and total revenue grew by 3% to £6.9m, both impacted by the currency movement. ARR was also impacted by a reduction in services to a large US customer removing unutilised services from their subscription as part of a new three-year contract. Adjusting for both the currency impact and US customer contraction, underlying ARR growth was 5%, net revenue retention was 104%, and gross revenue retention was 93%. Forwardlooking indicators for H2 FY26 and H1 FY27 suggest a return to gross retention levels above 95%.

A summary of H1 FY26 financial performance is shown below.

Six months to £M	31 July 2025	31 July 2024	% Change
Revenue			
Recurring	6.6	6.3	6%
Non-recurring	0.3	0.4	(39%)
Total Group	6.9	6.7	3%
LBITDA	(0.5)	(1.4)	65%

Our cost reduction programme, completed in June 2025, delivered annualised savings of approximately £3m. This contributed to a significant improvement in adjusted LBITDA, which approached breakeven on a monthly basis in Q2.

Non-recurring costs of £0.8m were incurred in the period (H1 FY25: £0.4m). These comprise £0.5m of restructuring costs, relating to redundancy, notice and associated expenses of the cost reduction programme, and £0.3m of professional fees associated with the aborted acquisition of Crimson Tide plc. These costs have been classified as non-recurring as they are material in size, non-recurring in nature, and not considered part of the Group's underlying trading performance.

Net cash at 31 July 2025 was £2.7m, with a £1m undrawn overdraft facility remaining available. The cash benefits of recent cost actions are expected to flow through in H2, contributing to improved cash efficiency and positioning the business for cash flow breakeven in calendar year 2026.

Outlook

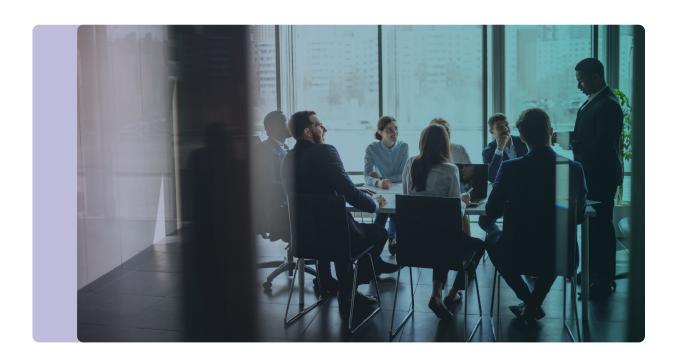
Checkit enters the second half of the year with a high-quality pipeline close to an all-time high, an efficient cost base, and clear path to profitability. While macroeconomic conditions remain a factor, our renewals with major customers and backlog of customer orders give us confidence we will deliver a strong second half.

We remain confident of achieving full-year market expectations, and reaffirm our ambition to achieve EBITDA profitability in the first half of calendar year 2026.

We shall continue to balance disciplined investment in our product and go-to-market strategy with a focus on operational efficiency and cash management. People are our most important resource and on behalf of the Board, I should like to thank the entire Checkit team for its dedication, agility, and commitment to our mission.

Kit Kyte

Chief Executive Officer



Consolidated statement of comprehensive income

For the six months to 31 July 2025

	Unaudited Half year to 31 July 2025 £m	Unaudited Half year to 31 July 2024 £m	Audited Year to 31 January 2025 £m
Revenue (Note 2)	6.9	6.7	14.1
Cost of sales	(2.0)	(2.2)	(4.3)
Gross profit	4.9	4.5	9.8
Operating expenses	(5.4)	(5.9)	(12.1)
Adjusted LBITDA*	(0.5)	(1.4)	(2.3)
Depreciation and amortisation	(0.7)	(0.8)	(1.5)
Share-based payment charge	(0.1)	(0.1)	(0.1)
Non-recurring or special items (Note 3)	(0.8)	(0.4)	(0.5)
Operating loss	(2.1)	(2.7)	(4.4)
Finance income	_		
Loss before taxation	(2.1)	(2.7)	(4.4)
Taxation (Note 4)	_	0.1	0.8
Loss for the period attributable to equity shareholders	(2.1)	(2.6)	(3.6)
Other comprehensive income			
Exchange differences on translation of foreign operations	_	_	_
Total other comprehensive income	_		
Total comprehensive expense for the period attributable to equity shareholders	(2.1)	(2.6)	(3.6)
Loss per share (Note 5)			
Basic and diluted	(1.9)p	(2.4)p	(3.3)p

^{*} Adjusted loss before interest, tax, depreciation and amortisation "LBITDA" is calculated by taking operating profit and adding back depreciation and amortisation, share-based payment charges and non-recurring or special items.

Consolidated balance sheet

As at 31 July 2025

	Unaudited 31 July 2025 £m	Unaudited 31 July 2024 £m	Audited 31 January 2025 £m
Assets			
Non-current assets			
Goodwill arising on acquisition	0.2	0.2	0.2
Other intangible assets	6.6	5.4	6.1
Property, plant and equipment	0.7	0.7	0.9
Total non-current assets	7.5	6.3	7.2
Current assets			
Inventories	3.5	4.1	3.9
Trade and other receivables	4.1	3.7	3.7
Cash and cash equivalents	2.7	7.0	5.1
Total current assets	10.3	14.8	12.7
Total assets	17.8	21.1	19.9
Current liabilities			
Trade and other payables	8.0	8.5	7.9
Lease liabilities	0.1	0.1	0.2
Total current liabilities	8.1	8.6	8.1
Non-current liabilities			
Long-term provisions	0.3	0.2	0.3
Lease liabilities	0.3	0.2	0.4
Total non-current liabilities	0.6	0.4	0.7
Total liabilities	8.7	9.0	8.8
Net assets	9.1	12.1	11.1
Equity attributable to equity holders of the parent			
Called-up share capital	5.4	5.4	5.4
Share premium	23.3	23.3	23.3
Capital redemption reserve	6.4	6.4	6.4
Other reserves	0.7	0.6	0.6
Retained earnings	(26.7)	(23.6)	(24.6)
Total equity	9.1	12.1	11.1

Consolidated statement of changes in equity

For the six months to 31 July 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 1 February 2024	5.4	23.3	6.4	0.5	(21.0)	14.6
Loss for the period				_	(2.6)	(2.6)
Total comprehensive expense for the period	_	_	_	_	(2.6)	(2.6)
Share-based payments	_	_	_	0.1	_	0.1
At 31 July 2024	5.4	23.3	6.4	0.6	(23.6)	12.1
Loss for the period	_	_	_	_	(1.0)	(1.0)
Total comprehensive expense for the period	_	_	_	_	(1.0)	(1.0)
Issue of new shares	_	_	_	_	_	_
At 31 January 2025	5.4	23.3	6.4	0.6	(24.6)	11.1
Loss for the period	_	_	_	_	(2.1)	(2.1)
Total comprehensive expense for the period	_	_	_	_	(2.1)	(2.1)
Share-based payments	_	_	_	0.1	_	0.1
At 31 July 2025	5.4	23.3	6.4	0.7	(26.7)	9.1

Consolidated statement of cash flows

For the six months to 31 July 2025

	Unaudited Half year to 31 July 2025 £m	Unaudited Half year to 31 July 2024 £m	Audited Year to 31 January 2025 £m
Net cash flows from operating activities			
Loss before taxation	(2.1)	(2.6)	(4.4)
Adjustments for:			
Depreciation	0.2	0.2	0.4
Amortisation	0.5	0.6	1.1
Finance income	_	_	_
Share based payments	0.1	0.1	0.1
Operating cash flows before working capital changes	(1.3)	(1.7)	(2.8)
(Increase)/decrease in trade and other receivables	(1.1)	0.9	1.6
Decrease/(increase) in inventories	0.4	(0.3)	(0.1)
Increase/(decrease) in trade and other payables	0.1	0.7	(0.1)
Operating cash flows after working capital changes	(1.9)	(0.4)	(1.4)
(Decrease)/increase in provisions	_	(0.1)	0.1
Cash used in operations	(1.9)	(0.5)	(1.3)
Tax credit received	0.7	_	0.1
Net cash outflows from operating activities	(1.2)	(0.5)	(1.2)
Investing activities			
Interest received on bank deposits	_	_	0.1
Purchase of property, plant and equipment	(0.0)	(0.2)	(0.2)
Investment in product development projects	(1.0)	(1.2)	(2.4)
Net cash used in investing activities	(1.0)	(1.4)	(2.5)
Financing activities			
Repayment of contract lease liabilities	(0.2)	(0.1)	(0.2)
Net cash (used in) financing activities	(0.2)	(0.1)	(0.2)
Net (decrease) in cash and cash equivalents	(2.4)	(2.0)	(3.9)
Cash and cash equivalents at the beginning of the period	5.1	9.0	9.0
Cash and cash equivalents at the end of the period	2.7	7.0	5.1

Notes to the unaudited interim results

For the six months to 31 July 2025

1. Accounting policies

The unaudited interim Group financial information for the six months ended 31 July 2025 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial statements have been prepared in accordance with the AIM rules. This report should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 January 2025, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Group's accounting policies are consistent with those applied in the Annual Report and Accounts for the year ended 31 January 2025, except for the revised presentation of R&D tax credits. Following changes to the UK R&D relief regime, the Group now recognises R&D tax credits as other operating income in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (Note 4). This change in accounting policy has been applied prospectively from 1 February 2025, with no restatement of comparative information.

Fixed annual charges are apportioned to the interim period on the basis of time elapsed. Other expenses unless disclosed otherwise are accrued in accordance with the same principles used in the preparation of the annual accounts.

2. Segmental reporting

Revenues

The following table presents the different revenue streams of Checkit:

	Half year to 31 July 2025 £m	Half year to 31 July 2024 £m	Year to 31 January 2025 £m
Recurring revenues from subscription services Consultancy and other services	6.6 0.3	6.3 0.4	13.1
Total	6.9	6.7	14.1

The Group considers its operations to be in the following geographical regions:

Geographic	Half year to 31 July 2025 £m	Half year to 31 July 2024 £m	Year to 31 January 2025 £m
United Kingdom	4.9	4.6	9.5
The Americas	1.7	1.8	3.8
Rest of World	0.3	0.3	0.8
Total	6.9	6.7	14.1

Revenue expected to be recognised

At 31 July 2025, the Group had £5.3m (H1 FY25: £4.7m) of revenue allocated to unsatisfied or partially satisfied performance obligations under existing contracts. This amount is recognised as deferred revenue within 'Trade and other payables' on the balance sheet.

3. Non-recurring or special items

Non-recurring or special items are disclosed separately to improve visibility of the underlying business performance.

Management has defined such items as costs associated with the acquisition or disposal of businesses, restructuring, impairment of goodwill, amortisation of acquired intangible assets and other non-recurring items incurred outside the normal course of business.

	Half year to 31 July 2025 £m	Half year to 31 July 2024 £m	Year to 31 January 2025 £m
Tax advice for HMRC VAT recoverability	_	0.2	0.2
Aborted Crimson Tide merger costs	0.3	_	0.1
Restructuring costs	0.5	0.2	0.2
Total non-recurring or special items	0.8	0.4	0.5

4. Taxation

In prior periods R&D tax credits were presented as a reduction to the corporation tax charge within the consolidated statement of comprehensive income. Following changes to the UK R&D relief regime, such credits are now treated as taxable income and presented as other operating income.

The tax credit has been estimated for the year so far less than £0.1m.

5. Earnings per share

Earnings per share (EPS) is the amount of post-tax profit attributable to each share (excluding those held by the Company).

Basic EPS measures are calculated as the Group profit for the period attributable to equity shareholders divided by the weighted average number of shares in issue during the period.

Diluted EPS takes into account the dilutive effect of all outstanding share options priced below the market price, in arriving at the number of shares used in its calculation. However, in this case, as set out in IAS 33, the potential ordinary shares cannot be treated as dilutive as their conversion to ordinary shares would decrease loss per share from continuing operations, resulting in basic and diluted measures being the same.

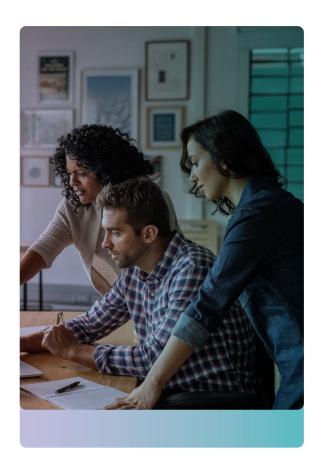
	Key	31 July 2025 Million	31 July 2024 Million	31 January 2025 Million
Weighted average number of ordinary shares for the purposes of basic earnings per share	А	108.0	108.0	108.0
(Loss)/earnings for the period	Key	31 July 2025 Million	31 July 2024 Million	31 January 2025 Million
Loss for the period	В	(2.1)	(2.6)	(3.6)
Total non-recurring or special items net of tax		0.6	0.3	0.4
Adjusted loss for EPS	C	(1.5)	(2.3)	(3.2)
	Key	31 July 2025	31 July 2024	31 January 2025
EPS measures				
Basic and diluted	B/A	(1.9)p	(2.4)p	(3.3)p
Adjusted EPS measures				
Basic and diluted	C/A	(1.4)p	(2.2)p	(2.9)p

6. Cautionary statement

This interim financial information has been prepared only for the shareholders of Checkit plc as a whole and its sole purpose and use is to assist shareholders to exercise their governance rights. Checkit plc and its Directors and employees are not responsible for any other purpose or use or to any other person in relation to this report.

The report contains indications of likely future developments and other forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and business segments in which the Group operates. Key risks and their mitigation have not changed materially in the period from those disclosed on pages 32 to 35 of the annual financial statements for the year ended 31 January 2025.

These and other factors could adversely affect the Group's results, strategy and prospects. Forward-looking statements involve risks, uncertainties and assumptions. They relate to events and/or depend on circumstances in the future which could cause actual results and outcomes to differ materially from those currently anticipated. No obligation is assumed to update any forward-looking statements, whether as a result of new information, future events or otherwise.



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