



Powering Predictive Operations

Half Year Report 2026



Checkit's mission is to eliminate operational waste by evolving standard operating procedures into Predictive Operations, thereby ensuring compliance, maximising productivity, and unlocking new value opportunities at scale.

Our business model combines a cloud-based platform, integrated sensors, and mobile capabilities.

The Checkit **platform** provides the capabilities and intelligence to drive automation, analytics, and operational predictability.

Integrated sensors capture real-time data from physical environments, enabling seamless data logging, precise accuracy, and operational **scalability** of use cases and automation.

Mobile capabilities enable a connected frontline workforce, aligning operational procedures and protocols while delivering value to customers with **simplicity** in mind.

Our value proposition derives from combining **predictability** through data-driven insights, scalability via integrated sensors and use cases, and **simplicity** through intuitive mobile applications – enabling customers to establish, evolve, and expand Predictive Operations.



H1 FY27 Highlights

Adjusted EBITDA¹ from continuing operations improved by

£1.2m to a profit of £0.3m

(H1 FY26: £0.9m loss), demonstrating the structural benefit of the Group's cost reduction programme and operating leverage.

Recurring revenue from continuing operations

increased by 4% to £6.1m

and represented 97% of revenue (H1 FY26: £5.8m and 96%). Total revenue increased by 3% to £6.3m (H1 FY26: £6.1m).

Annual Recurring Revenue ("ARR")² from continuing operations

increased by 5% on a constant currency basis to £12.8m

(H1 FY26: £12.3m). New bookings increased to £0.7m (H1 FY26: £0.6m) and churn reduced to £0.5m (H1 FY26: £0.8m).

The retirement of a legacy product supplied to a single customer removed £1.6m of ARR and approximately £0.7m of annualised cost. Critically, it also removes a separate legacy technology estate and cost centre and will allow product and operational resources to be concentrated on one modern, cloud-based platform. The legacy product is reported as a discontinued operation.

Cash generated from continuing operating activities was

£0.3m (H1 FY26: £2.3m outflow).

Cash at 31 July 2026 was £2.9m (31 July 2025: £2.7m; 31 January 2026: £3.0m).

¹ Adjusted EBITDA is earnings from operating activities before depreciation and amortisation, share-based payment charges and non-recurring or special items.

² Annual Recurring Revenue ("ARR") is the annualised value of contracted recurring revenue from subscription services at the period end, including committed annual recurring revenue not yet commenced. Constant currency comparisons use the exchange rates prevailing at 31 July 2026.

³ Net revenue retention ("NRR") is defined as the amount of recurring revenue from existing customers retained over the trailing 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 first-half results provide tangible evidence of Checkit's stronger financial foundations. With 97% recurring revenue, a materially lower operating cost base and the simplification arising from the retirement of the legacy product and platform unification, the Group is increasingly well positioned to deliver operating leverage and sustainable growth.

The Board has adopted a two-year value-creation framework centred on sustained adjusted EBITDA profitability, cash generation and progressively stronger ARR growth. It establishes strategic objectives of achieving net revenue retention³ of 105–110% and gross revenue retention above 95%, compared with current levels of 102% and 94% respectively. Delivery will require disciplined investment in completing the unified platform and strengthening go-to-market execution to support future growth. The Board will balance this investment with continued financial discipline, with growth judged by its quality and capital efficiency as well as its rate.

Kit Kyte, Chief Executive Officer of Checkit, commented:

"H1 FY27 marks an important inflection point for Checkit, with the benefits of the transformation undertaken over the past year now clearly reflected in our financial performance. We have moved from funding significant new product development programmes to an EBITDA-profitable business with 97% recurring revenue and a materially lower cost base.

We also announced today the termination of the formal sale process that commenced earlier in the year. The process provided valuable external validation of the strength of our technology, customer proposition and position in regulated environments. It also reinforced where we should concentrate our efforts.

Our task now is straightforward: deepen our position in Medical, focus Retail investment on high-quality multi-site opportunities, complete the move to one cloud platform and continue to improve commercial performance. These priorities underpin our two-year value-creation framework, which will guide how we invest and grow the business with financial discipline.

We enter this next phase as a simplified business: with differentiated technology, mission-critical customer use cases, high recurring revenue and a cost base capable of producing meaningful operating leverage. We are confident in the opportunities ahead."

Chief Executive Officer's Statement

A Profitable and Focused Business



Kit Kyte
Chief Executive
Officer

Continuing operations delivered adjusted EBITDA of £0.3m in H1 FY2027, compared with a £0.9m loss in the prior period, while cash generated from continuing operating activities was £0.3m. This improvement was achieved alongside 4% growth in recurring revenue and a two percentage point increase in gross margin.

The result establishes a strong starting point for the next phase. Checkit is now operationally lean, and concentrated on markets where its technology addresses mission-critical requirements. We are no longer balancing investment across multiple technology estates.

Formal Sale Process Findings

A separate announcement made by the Company today confirms the termination of the Formal Sale Process ("FSP") launched on 26 March 2026. The FSP brought Checkit into detailed engagement with potential strategic and financial acquirers and tested the Company's technology, customer proposition, market opportunity and financial model.

Although the FSP did not result in any offers at a value the Board could recommend to shareholders, the due diligence undertaken by interested parties during the process yielded valuable intelligence. Potential acquirers consistently recognised the strategic quality of Checkit's integrated platform, its recurring revenue, blue-chip customer base and position in regulated markets. It also confirmed where management must now concentrate: commercial execution, growth in the highest-quality segments, completion of the platform unification and continued improvements in profitability.

Those conclusions do not require a change of direction. They require tighter execution against a narrower set of priorities. We will retain the financial discipline established through the restructuring of the cost base and invest selectively where we can see a clear path to durable ARR, improved retention and attractive returns on capital.

Intelligent Operations

Checkit provides an interface between the real world of sensors and enterprise quality-management systems. Hardware-led competitors can record conditions but generally lack embedded workflow and operational intelligence. Enterprise quality systems manage corporate documentation but do not own the live sensor estate or the frontline response to an excursion. Checkit connects the two.

Our platform monitors critical conditions, guides the action required when something changes and preserves the evidence needed for compliance and audit. That integrated operating layer is difficult to replace once embedded in daily work and is especially valuable where failures carry material financial, regulatory or patient-safety consequences.

Focused Commercial Strategy

Medical is our largest sector, accounting for 71% of revenues in H1 FY27, and is central to our growth strategy. We have established positions in the UK NHS, US plasma collection, private hospitals, diagnostics and biotech. Our immediate opportunity is to deepen those positions through enterprise expansion, additional sites and applications, and selective entry into adjacent geographies and regulated markets where existing customer use cases transfer well.

Our Retail strategy is focused primarily on premium multi-site customers in food production, contract catering, hospitality and senior living, where sensing and workflow are both operationally important and regulatory requirements support attractive retention and pricing. Smaller fragmented opportunities with weaker economics will receive less attention in future.

Bookings performance improved in the half. New bookings rose to £0.7m from £0.6m and churn reduced to £0.5m from £0.8m. We intend to build on that progress through stronger pipeline qualification, disciplined enterprise selling, expansion within existing accounts and value-based pricing.



One Platform

The legacy product relied on infrastructure shared with the Group's core Medical offering. This constrained the Group's ability to modernise the Medical platform and move to a unified technology architecture, limiting both the efficiency benefits of a single platform and the ability to introduce new capabilities across the Medical customer base.

The retirement of the legacy product, which was supplied to a single customer, reduced ARR by £1.6m but removed this constraint and materially simplified the Group's technology estate. It also removed approximately £0.7m of annualised cost and enables development resources to be concentrated on a single modern cloud platform.

The Group is now progressing the unification of its Medical and Retail technology on this platform, with Next-Generation Medical Monitoring the principal product priority for the rest of this financial year. It will combine medical-grade sensing with enhanced functionality designed to meet stringent regulatory and compliance requirements, particularly in the US, including electronic signatures and audit trails, digital calibration records, integrated task management and a complete alert lifecycle. Existing Medical customers can retain their existing hardware while gaining a substantially improved software experience and access to workflow and analytics capabilities previously unavailable to them.

Delivery is structured in four phases. Core Medical functionality designed to meet stringent regulatory and compliance requirements, together with the customer migration design, is targeted for completion by the end of October 2026. Operational management features, including calibration and operational qualification, and remaining feature parity are targeted for January 2027. Parallel customer testing is then expected to begin from February 2027, followed by a phased migration over several quarters to reflect operational capacity and customers' own process-change requirements. The Group expects to begin the go-to-market launch in the new calendar year.

Completion of the unified platform will leave the Group with a single codebase across Medical and Retail. This should increase development speed, reduce duplicated R&D and infrastructure, improve operating efficiency, and provide a more consistent customer experience. It will also broaden the range of software available to customers, creating greater opportunities for cross-sell. AI-enabled engineering is accelerating this work and improving development productivity; we are applying it to measurable delivery outcomes rather than treating AI as a separate proposition.

Financial Performance

Revenue from continuing operations increased by 3% to £6.3m (H1 FY26: £6.1m). Recurring revenue increased by 4% to £6.1m (H1 FY26: £5.8m) and represented 97% of revenue.

Gross profit increased by 7% to £4.4m (H1 FY26: £4.1m), with gross margin improving to 69% (H1 FY26: 67%). The improvement reflects the higher proportion of recurring revenue and continued efficiencies in the delivery model.

Adjusted EBITDA from continuing operations improved by £1.2m to a profit of £0.3m (H1 FY26: £0.9m loss). The adjusted EBITDA margin increased to 4% from negative 15%. This demonstrates the operating leverage available as recurring revenue grows over a structurally lower cost base.

ARR from continuing operations at 31 July 2026 was £12.8m (31 July 2025: £12.3m). New bookings increased to £0.7m and churn reduced to £0.5m. The legacy product is classified as a discontinued operation and generated profit of £0.3m in the period (H1 FY26: £0.4m). Its retirement was strategically important, removing a constraint on the modernisation of the core Medical platform, and enabling development resources to be focussed on the unified platform and the associated efficiency and commercial opportunities.

Cash at 31 July 2026 was £2.9m (31 January 2026: £3.0m). Cash generated from continuing operating activities was £0.3m, compared with a £2.3m outflow in H1 FY26. Capitalised product development expenditure was £0.7m (H1 FY26: £1.0m). After investment and lease payments, cash reduced by £0.1m during the period, compared with a £2.4m reduction in H1 FY26.

A summary of H1 FY27 key financial performance metrics is shown below.

	31 July 2026 £m	31 July 2025 £m	% Change
ARR	12.8	12.3	5%
Revenue from continuing operations	6.3	6.1	3%
Operating cash flow from continuing activities	0.3	(2.3)	113%
Adjusted EBITDA continuing operations	0.3	(0.9)	240%
Adjusted EBITDA discontinued operations	0.4	0.4	–
Net Revenue Retention	102%	101%	1%
Gross Revenue Retention	94%	90%	4%



Priorities for the Next Phase

The Group's priorities are clear: protect profitability and cash, improve commercial execution, complete the unified platform and concentrate investment on the markets where Checkit has the strongest competitive position.

Delivery against the Board's two-year framework will not necessarily be linear, particularly as we invest in completing the platform unification and strengthening go-to-market execution. This investment will be carefully managed to protect cash generation while supporting opportunities capable of delivering durable ARR, stronger retention and attractive returns on capital.

The Board believes this provides a clear and measurable basis for sustainable growth, progressively stronger cash generation and, ultimately, shareholder value.

Kit Kyte

Chief Executive Officer

Consolidated statement of comprehensive income

For the six months to 31 July 2026

	Unaudited Half year to 31 July 2026 £m	Restated unaudited Half year to 31 July 2025 £m	Restated audited Year to 31 January 2026** £m
Revenue (Note 2)	6.3	6.1	12.1
Cost of sales	(1.9)	(2.0)	(3.8)
Gross profit	4.4	4.1	8.3
Other operating income	—	—	0.2
Operating expenses	(4.1)	(5.0)	(9.1)
Adjusted EBITDA*	0.3	(0.9)	(0.6)
Depreciation and amortisation	(1.0)	(0.7)	(1.6)
Share-based payment charge	—	(0.1)	(0.2)
Non-recurring or special items (Note 3)	(0.5)	(0.8)	(1.1)
Operating loss	(1.2)	(2.5)	(3.5)
Finance income	—	—	—
Loss before taxation	(1.2)	(2.5)	(3.5)
Taxation (Note 4)	—	—	(0.2)
Loss from continuing operations	(1.2)	(2.5)	(3.7)
Profit from discontinued operations (Note 6)	0.3	0.4	0.9
Loss for the period attributable to equity shareholders	(0.9)	(2.1)	(2.8)
Other comprehensive income			
Exchange differences on translation of foreign operations	0.1	—	(0.1)
Total comprehensive expense for the period attributable to equity shareholders	(0.8)	(2.1)	(2.9)
Profit / (loss) per share (Note 5)			
Continuing	(1.2)p	(2.3)p	(3.4)p
Discontinued	0.3p	0.4p	0.8p

The accompanying notes form an integral part of this consolidated interim financial information.

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

** The comparative information for the year ended 31 January 2026 has been restated to reflect a discontinued operation. The restated presentation has not been audited.

Consolidated balance sheet

As at 31 July 2026

	Unaudited 31 July 2026 £m	Unaudited 31 July 2025 £m	Audited 31 January 2026 £m
Assets			
Non-current assets			
Goodwill arising on acquisition	0.2	0.2	0.2
Other intangible assets	6.4	6.6	6.6
Property, plant and equipment	0.4	0.7	0.5
Total non-current assets	7.0	7.5	7.3
Current assets			
Inventories	3.0	3.5	3.4
Trade and other receivables	2.7	4.1	2.7
Cash and cash equivalents	2.9	2.7	3.0
Total current assets	8.6	10.3	9.1
Total assets	15.6	17.8	16.4
Current liabilities			
Trade and other payables	1.7	2.7	2.1
Contract liabilities	5.8	5.3	5.3
Lease liabilities	0.1	0.1	0.2
Total current liabilities	7.6	8.1	7.6
Non-current liabilities			
Long-term provisions	0.3	0.3	0.1
Lease liabilities	0.1	0.3	0.3
Total non-current liabilities	0.4	0.6	0.4
Total liabilities	8.0	8.7	8.0
Net assets	7.6	9.1	8.4
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	0.8	0.7	0.8
Translation reserve	—	—	(0.1)
Retained earnings	(28.3)	(26.7)	(27.4)
Total equity	7.6	9.1	8.4

The accompanying notes form an integral part of this consolidated interim financial information.

Consolidated statement of changes in equity

For the six months to 31 July 2026

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Translation reserve £m	Retained earnings £m	Total £m
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
Loss for the period	—	—	—	—	—	(0.7)	(0.7)
Other comprehensive income	—	—	—	—	(0.1)	—	(0.1)
Total comprehensive expense for the period	—	—	—	—	(0.1)	(0.7)	(0.8)
Share-based payments	—	—	—	0.1	—	—	0.1
At 31 January 2026	5.4	23.3	6.4	0.8	(0.1)	(27.4)	8.4
Loss for the period	—	—	—	—	—	(0.9)	(0.9)
Other comprehensive income	—	—	—	—	0.1	—	0.1
Total comprehensive expense for the period	—	—	—	—	0.1	(0.9)	(0.8)
Share-based payments	—	—	—	—	—	—	—
At 31 July 2026	5.4	23.3	6.4	0.8	—	(28.3)	7.6

The accompanying notes form an integral part of this consolidated interim financial information.

Consolidated statement of cash flows

For the six months to 31 July 2026

	Unaudited Half year to 31 July 2026 £m	Restated unaudited Half year to 31 July 2025 £m	Restated audited Year to 31 January 2026* £m
Net cash flows from operating activities			
- Loss from continuing operations	(1.2)	(2.5)	(3.5)
- Profit from discontinued operations	0.3	0.4	0.9
Adjustments for:			
Depreciation	0.2	0.2	0.3
Amortisation	1.0	0.5	1.3
Share based payments	—	0.1	0.2
Operating cash flows before working capital changes	0.3	(1.3)	(0.8)
(Increase)/decrease in trade and other receivables	(0.1)	(1.1)	1.0
Decrease in inventories	0.4	0.4	0.5
Increase/(decrease) in trade and other payables	0.1	0.1	(0.8)
Operating cash flows after working capital changes	0.7	(1.9)	(0.1)
(Decrease) in provisions	—	—	(0.1)
Cash generated / (used) in operations	0.7	(1.9)	(0.2)
Tax credit received	—	0.7	0.1
Net cash inflow / (outflow) from operating activities	0.7	(1.2)	(0.1)
Investing activities			
Investment in product development projects	(0.7)	(1.0)	(1.8)
Net cash used in investing activities	(0.7)	(1.0)	(1.8)
Financing activities			
Repayment of contract lease liabilities	(0.1)	(0.2)	(0.2)
Net cash (used in) financing activities	(0.1)	(0.2)	(0.2)
Net (decrease) in cash and cash equivalents	(0.1)	(2.4)	(2.1)
Cash and cash equivalents at the beginning of the period	3.0	5.1	5.1
Cash and cash equivalents at the end of the period	2.9	2.7	3.0

The accompanying notes form an integral part of this consolidated interim financial information.

* The comparative information for the year ended 31 January 2026 has been restated to reflect a discontinued operation. The restated presentation has not been audited.

Notes to the unaudited interim results

For the six months to 31 July 2026

1. Accounting policies

The unaudited interim Group financial information for the six months ended 31 July 2026 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 2026, 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. Comparative information for the year ended 31 January 2026 has been restated for discontinued operations; this restatement has not been audited.

The Group's accounting policies are consistent with those applied in the Annual Report and Accounts for the year ended 31 January 2026.

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 2026 £m	Restated Half year to 31 July 2025 £m	Restated Year to 31 January 2026 £m
Recurring revenues from subscription services	6.1	5.8	11.6
Consultancy and other services	0.2	0.3	0.5
Total	6.3	6.1	12.1

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

Geographic	Half year to 31 July 2026 £m	Restated Half year to 31 July 2025 £m	Restated Year to 31 January 2026 £m
United Kingdom	4.0	4.1	8.0
The Americas	1.8	1.7	3.5
Rest of World	0.5	0.3	0.6
Total	6.3	6.1	12.1

Revenue expected to be recognised

At 31 July 2026, the Group had £5.8m (H1 FY26: £5.3m) of revenue allocated to unsatisfied or partially satisfied performance obligations under existing contracts. This amount is recognised as deferred revenue within 'Contract liabilities' 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 2026 £m	Half year to 31 July 2025 £m	Year to 31 January 2026 £m
Restructuring and integration costs	0.1	0.5	0.8
Transaction costs	0.4	0.3	0.2
Intangible asset impairment	—	—	0.1
Total non-recurring or special items	0.5	0.8	1.1

4. Taxation

The tax credit treated as taxable income and presented as other operating income 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 2026 Million	31 July 2025 Million	31 January 2026 Million
Weighted average number of ordinary shares for the purposes of basic earnings per share	A	108.0	108.0	108.0

	Key	31 July 2026 £m	Restated 31 July 2025 £m	Restated 31 January 2026 £m
Loss for the period attributable to equity shareholders	B	(0.9)	(2.1)	(2.8)
Profit from discontinued operations	C	0.3	0.4	0.9
Loss for the period from continuing operations	D	(1.2)	(2.5)	(3.7)
Non-recurring or special items net of tax		0.6	1.0	1.4
Adjusted loss from continuing operations for EPS	E	(0.6)	(1.5)	(2.3)

	Key	31 July 2026	Restated 31 July 2025	Restated 31 January 2026
Continuing EPS measures				
Basic and diluted	D/A	(1.2)p	(2.3)p	(3.4)p
Adjusted Continuing EPS measures				
Basic and diluted	E/A	(0.5)p	(1.4)p	(2.2)p
Discontinued EPS measures				
Basic and diluted	C/A	0.3p	0.4p	0.8p
Total EPS measures				
Basic and diluted	B/A	(0.9)p	(1.9)p	(2.6)p

6. Discontinued operations

During the period ended 31 July 2026, the Group retired its legacy product which was supplied to a single customer. The results attributable to this product have been classified as a discontinued operation.

	31 July 2026 £m	31 July 2025 £m	31 January 2026 £m
Revenue	0.8	0.8	1.6
Cost of Sales	—	—	—
Gross profit	0.8	0.8	1.6
Operating expenses	(0.4)	(0.4)	(0.7)
Operating profit	0.4	0.4	0.9
Amortisation	(0.1)	—	—
Profit before tax	0.3	0.4	0.9
Attributable tax	—	—	—
Profit from discontinued operation	0.3	0.4	0.9

The cash flows attributable to the discontinued operation were:

	Half year to 31 July 2026 £m	Half year to 31 July 2025 £m	Year to 31 January 2026 £m
Profit from discontinued operations	0.3	0.4	0.9
Adjustment for amortisation	0.1	—	—
Net cash inflow from operating activities	0.4	0.4	0.9
Net cash flows from investing activities	—	—	—
Net cash flows from financing activities	—	—	—
Net increase in cash from discontinued operations	0.4	0.4	0.9

7. 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 30 to 33 of the annual financial statements for the year ended 31 January 2026.

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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