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Checkit PLC
24 April 2025

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24 April 2025

Checkit plc

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

Final results for the Year Ended 31 January 2025

Checkit plc (AIM: CKT), the automated monitoring platform for operational leaders, is pleased to report its audited results for the year ended 31 January 2025 ("FY25"). The annual report for FY25 will be sent to shareholders ahead of the Company's Annual General Meeting, which is expected to take place on 5 June 2025.

The Group's management team will host a live webinar including an opportunity for questions at 14:00 (BST) today. The webinar can be accessed via the news area of the website at https://www.checkit.net/news/ or by using this link:

https://www.investormeetcompany.com/checkit-plc/register-investor

FY25 HIGHLIGHTS

- 33% increase in new recurring revenue bookings* to £2.1m (FY24: £1.6m)
- 8% increase in Annual Recurring Revenue ("ARR")** to £14.4m (FY24: £13.3m)
- 17% increase in total revenue to £14.1m (FY24: £12.0m)
- 33% improvement in adjusted LBITDA*** to £2.3m (FY24: £3.4m)
- 40% reduction in overall cash consumption; net cash at year end of £5.1m (FY24: £9.0m)
- Launch of new revenue generating product features including Asset Intelligence, based on Artificial Intelligence and Machine Learning

Outlook

- Revenue growth is now expected to be lower in the near term than previously guided, at between 2% and 5% for the current year. This reflects expected challenging market conditions and increased customer caution. Customer retention is expected to stabilise at FY25 levels of 92% for the coming year. As a result, the Board has taken the strategic decision to focus on improving the Company's profitability.
- The cost reduction programme announced on 8 April 2025 is underway and is expected to deliver annualised savings of £3 million, driving a meaningful improvement in FY26 LBITDA - ahead of previous market guidance of a £0.7 million loss, though not quite into positive territory. These actions are also expected to accelerate the Company's transition to cash generation.
- The Company continues to expect to achieve EBITDA profitability and cash flow breakeven, within its existing cash resources, during calendar year 2026.

Kit Kyte, CEO of Checkit, commented:

"Checkit delivered a strong performance in FY25, achieving 17% revenue growth to £14.1m and a significant reduction in operational cash consumption. Our disciplined strategy, focused on AI-driven innovation and a 'land and expand' model, has supported growth in key markets, particularly the US, where revenue increased by 20% to £3.7m.

With 70% gross margins and ARR expansion, we are strengthening our competitive advantage through data and automation. Our commitment to operational efficiency, and technological advancements positions us for sustained growth and long-term value creation for both customers and shareholders."

NOTES

* Bookings are defined as the committed Annual Recurring Revenue ("ARR") of new sales wins contracted during the period.

** Annual Recurring Revenue ("ARR") is defined as the annualised value of contracted recurring revenue from subscription services as at the period end, including committed annual recurring revenue from new wins.

*** Adjusted LBITDA is the loss on operating activities before depreciation and amortisation, share based payment charges and non-recurring or special items.

The person responsible for releasing this announcement is Kris Shaw, Chief Financial Officer of Checkit.

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Kris Shaw (Chief Financial Officer)

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Shaun Dobson / James Fischer

CHAIRMAN'S STATEMENT

On behalf of the Board, I should like to thank Chief Executive Officer Kit Kyte, Chief Financial Officer Kris Shaw, the rest of the senior management team and indeed all staff in the UK and US who have contributed to the performance of Checkit.

FY25 was a challenging year for our customers. The containment of costs, in the context of dramatic increases in pay-related overheads in our UK target markets, has become paramount for all businesses and Checkit is well placed to help achieve the productivity improvements our customers seek.

Against the backdrop of macroeconomic constraints, Checkit's operating performance was in line with Board and market expectations. Our goal is to achieve profitability and cash generation through revenue growth and cost control. Growth will be achieved organically and through acquisitions if suitable targets present themselves.

Finally, I should like to take the opportunity to state that the Board is fully aware of the disparity between our improving performance and the share price on AIM. Over the next 12 months the Board will be focused on addressing this problem.

Keith Daley
Chair

CEO'S STATEMENT

Expediting profitability has become the main effort for the Company in the near term. To that end, we recently announced a strategic plan to deliver accelerated profitability and sustainable growth. This plan reflects the evolving economic landscape in our key markets, with the UK National Insurance increase and the introduction of US trade tariffs contributing to uncertainty and caution among customers. In light of these challenges, the Company has taken proactive steps to strengthen its financial position.

A review of Checkit's operations and cost base has resulted in the identification and implementation of measures expected to deliver annualised cash savings of approximately £3 million from quarter two of the current financial year, with the full benefit to be realised in the subsequent financial year. The implementation of these measures is expected to bring forward the point at which the Company starts to generate net cash inflows.

Strategy and Ambitions

We fulfill market needs with a comprehensive solution that excels in the gathering of data for analytics, offering insights that empower our customers to make informed decisions, implement cost efficiencies, and secure compliance with their policies. Our goal is to be a leader in augmented workflow management for the frontline workforce.

We secure initial wins in discrete customer locations or functions and then build deeper customer relationships that drive long-term growth. Our ability to drive growth this way is demonstrated in our strong net revenue retention rate of 107%, providing visibility of future ARR expansion. We have made significant strides in transforming Checkit into a predominantly subscription-based model, with non-recurring revenues in FY25 constituting only 6% of total revenue. This shift enhances our revenue predictability and strengthens customer engagement, paving the way for additional business.

As part of the recently announced strategic plan the Checkit management team has undertaken a comprehensive evaluation of the entire business. This in-depth review generated valuable insights that have now been embedded into our FY26 strategy and longer-term planning:

- Our Go-to-Market (GTM) approach is designed to drive strong commercial performance while maintaining a disciplined investment profile. We aim to deliver healthy revenue retention in line with top-quartile industry benchmarks as demonstrated by our 3-year average net revenue retention rate ("NRR") of 111% and gross revenue retention rate ("GRR") of 97%.

- The US remains the priority region responsible for driving new customer acquisition, supported by its broad range of target enterprises. In FY25 23% of US bookings came from new customers. While recent US trade tariffs contribute to economic uncertainty, based on our current understanding, they are not expected to have a material impact on Checkit's revenue or cost base.

- The successful launch of Asset Intelligence, a new machine learning ("ML") / AI data module, that optimizes asset availability, reduces operating costs and delivers ROI, differentiates Checkit as a data orchestration platform for operational leaders. Future product innovation will focus on further monetization of data "at ground level" as a operational leaders. Future product innovation will focus on further monetization of data 'at ground level' as a source of high margin growth.

The Group's focus is on building a sustainable and higher conversion rate pipeline across the retail, healthcare, facilities management, franchise, and biopharma verticals. We are increasing customer loyalty by continuously investing in our platform, including its capacity to incorporate external technologies, positioning us at the forefront of the market.

Our sales and marketing efforts are geared towards generating high-quality leads with improved conversion rates, especially in our key sectors and expanding further into the US market. Checkit's new customer pipeline in the US includes several multi-site organizations across the healthcare, food retail, hospitality, and biopharma sectors. The US remains on course to be the largest contributor to Group revenues and remains a key growth driver. US revenue increased by 20% year-on-year to £3.7m, highlighting continued demand for our solutions in a high-potential market.

In addition to driving organic growth, we continue to see acquisitions as a route to scale and an enhanced market position. While the proposed merger with Crimson Tide plc did not proceed, we remain committed to exploring other opportunities that strengthen our capabilities, expand our customer offering, and create value for shareholders. We will maintain a disciplined approach to acquisitions, ensuring they align with our strategic plan and long-term vision. At the same time, we remain focused on balancing organic growth initiatives with operational efficiency to sustain a high-performance culture within Checkit.

Innovation and Competitive Advantage

Innovation remains the cornerstone of Checkit's strategy, driving us to continually enhance our offerings and deliver exceptional value to our clients. In FY25, we have made significant strides in integrating advanced technologies, particularly AI and data analytics, into our platform.

Our approach centres on the intelligent orchestration of integrated sensors, digital workflows, and AI. This integration enables us to transform traditional data collection methods into continuous, automated processes that provide real-time, actionable insights. By leveraging AI, we can analyse vast datasets to identify patterns, predict potential operational challenges, and recommend proactive solutions, thereby enhancing our clients' operational efficiency and decision-making capabilities.

During FY25 we launched our Asset Intelligence module, marking a significant advancement in our AI and ML capabilities. This module applies advanced analytics and machine learning to sensor data, enabling clients to enhance sustainability, reduce costs, and improve revenue streams. The successful deployment of this module with our first five clients during H2 underscores its potential to revolutionise asset management across various industries.

We are dedicated to exploring emerging technological opportunities that align with our mission to reshape business performance. Our focus will remain on integrating cutting-edge technologies into our unified platform, ensuring that we continue to meet the dynamic needs of our clients and maintain our competitive edge in the market.

Positive Outlook

As we look ahead, Checkit is well-positioned to capitalise on emerging opportunities in the workflow management sector. The successful execution of our profitability and growth strategies, combined with strategic M&A and our commitment to innovation, provides a strong foundation for continued success. We remain dedicated to delivering exceptional value to our customers and shareholders, driving sustainable growth in the years to come.

Kit Kyte
CEO

FINANCIAL REVIEW
Continued drive to profitability
Financial results in FY25 demonstrate Checkit's continued trajectory of growth, operational improvement and drive towards profitability, building upon the momentum established in previous years.

Total Group revenue for FY25 reached £14.1 million, representing a 17% increase from £12.0 million in FY24. This growth was driven by both new customer acquisition and the successful expansion within existing accounts, underscoring the effectiveness of Checkit's 'land and expand' strategy.

Adjusted LBITDA of £2.3m (FY24: £3.4m), continues the Group's strategic priority to balance growth with improved operational efficiencies resulting in reduced losses year-on-year.

ARR grew by 8% to £14.4 million (FY24: £13.3 million), reflecting continued progress in driving subscription-based revenue. During the year, we secured £2.1 million in new bookings and achieved a NRR of 107%, demonstrating strong customer engagement and upsell momentum. While total contraction and churn in the period amounted to £1.0m, approximately £0.3m related to low-value, low-margin customers, where the associated delivery costs were also removed-limiting the impact on contribution. A further £0.4m resulted from a tidy-up of prior period accounts, often where closed bookings did not ultimately convert to revenue and are therefore classified as churn. The remaining £0.4m came from our core customers.

Our business model remains firmly subscription based, with recurring revenues representing 94% of total revenue. Land and expand wins through the introduction of Checkit products into an integrated energy company's dealer sites to provide real time operations management capabilities to 200 franchisees in the UK and the agreement with Octapharma in the US integrating TTMUs (Tactical Temperature Monitoring Units) into their existing monitoring system, supported the growth of recurring revenue by 17% and NRR of 107%.

(£'m) Reported	Twelve months to		
	31 January 2025	**31 January 2024**	% Change
ARR[1]	**14.4**	**13.3**	+8%
Revenue			
Recurring	13.1	11.2	+17 %
Non-recurring	1.0	0.8	+14 %
Total revenue	**14.1**	**12.0**	**+17 %**

We continue to see growth opportunities in the US, with ARR increasing +12% year-on-year. New customer signings have strengthened our growing care home use-case, while additional wins in the blood plasma vertical offer further land and expand opportunities. Overall North America revenues increased by 20% during FY25, highlighting our continued penetration into the US market and growing international presence.

LBITDA
Checkit continues its progress towards profitability with adjusted LBITDA for the year of £2.3m (FY24: £3.4m), an improvement of 33%. Gross margin improved to 70% (FY24: 67%).

Operating expenses increased by 5%, as the benefits of cost efficiency programs were offset by inflationary pressures and targeted sales & marketing investment to support revenue growth and pipeline development.

Overall product spend has been maintained at £4.4m (FY24: £4.3m) to support the development of AI and ML product offerings. These products include the recently launched Asset Intelligence module which applies advanced analytics and machine learning to sensor data to enhance customer sustainability. Revenue generation from these products commenced quickly after launch. Capitalised development was £2.4m (FY24: £2.0m), which includes spend to bring these improved product offerings to the market.

Non-recurring or special items
Non-recurring or special items in the year of £0.5m related to restructuring costs, specialist tax advice for the resolution of the HMRC disagreement relating to input tax, and the initial costs associated with the proposed merger with Crimson Tide PLC which did not proceed.

	FY25 £m
Restructuring costs	0.2
HMRC specialist tax advice	0.2
Crimson Tide merger	0.1
Total non-recurring or special items	**0.5**

Taxation
The Group is currently loss making and therefore no corporate tax charge is reported for the year. There remains approximately £29m in Group carried forward taxable losses and there is no expectation of tax payments in the short to medium term. With the support of a new R&D tax adviser the FY24 and FY23 claims were submitted, resulting in a combined claim of £0.7m, which is expected to be received in FY26.

Contingent liability
Checkit and HMRC had been in correspondence since early 2022 regarding matters of input tax recoverability. The review of the case has now been completed and HMRC has recognised that Checkit was entitled to input VAT recovery throughout the period under review. Therefore, the contingent liability has been removed from the financial statements and withheld cash received, albeit partially offset by specialist tax advice fees.

EPS - continuing operations
The weighted average number of shares in issue in FY25 was 108.0m. Loss per share (basic and diluted) was 3.3 pence (FY24: 4.2 pence).

Cash
As of 31 January 2025, the Group's cash position was £5.1m (FY24: £9.0m), reflecting a 40% reduction in overall cash consumption, driven by revenue growth and improved LBITDA. The reduced cash consumption highlights the business's

continued progress in executing its strategic objectives.

Kris Shaw
CFO

Consolidated statement of comprehensive income

Year ended 31 January 2025

	Notes	**2025 £m**	2024 £m
Revenue	2	**14.1**	12.0
Cost of sales		**(4.3)**	(4.0)
Gross profit		**9.8**	8.0
Operating expenses	3	**(12.1)**	(11.4)
Adjusted LBITDA*		**(2.3)**	(3.4)
Depreciation and amortisation		**(1.5)**	(1.3)
Share-based payment charge		**(0.1)**	(0.2)
Non-recurring or special items		**(0.5)**	(0.2)
Operating loss		**(4.4)**	(5.1)
Finance income		-	0.5
Loss before taxation		**(4.4)**	(4.6)
Taxation	5	**0.8**	0.1
Loss for the year attributable to equity shareholders		**(3.6)**	(4.5)
Other comprehensive income/(expense)			
Exchange differences on translation of foreign operations		-	-
Total comprehensive loss for the year attributable to equity shareholders		**(3.6)**	(4.5)
Loss per share			
Basic EPS	6	**(3.3)p**	(4.2)p
Diluted EPS	6	**(3.3)p**	(4.2)p

*Adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") is calculated by taking operating profit and adding back depreciation & amortisation, share-based payment charge and non-recurring or special items

Consolidated balance sheet

As at 31 January 2025

	Notes	**2025 £m**	2024 £m
Assets			
Non-current assets			
Goodwill arising on acquisition	7	**0.2**	0.2
Other intangible assets	7	**6.1**	4.8
Property, plant and equipment		**0.9**	0.8
Total non-current assets		**7.2**	5.8
Current assets			
Inventories		**3.9**	3.8
Trade and other receivables		**3.7**	4.5
Cash and cash equivalents		**5.1**	9.0
Total current assets		**12.7**	17.3
Total assets		**19.9**	23.1
Current liabilities			
Trade and other payables		**7.9**	7.8
Contract lease liabilities		**0.2**	0.2
Total current liabilities		**8.1**	8.0
Non-current liabilities			
Long-term contract lease liabilities		**0.4**	0.3
Long-term provisions		**0.3**	0.2
Total non-current liabilities		**0.7**	0.5
Total liabilities		**8.8**	8.5
Net assets		**11.1**	14.6
Equity attributable to the owners of the Company			
Called up share capital		**5.4**	5.4
Share premium		**23.3**	23.3
Capital redemption reserve		**6.4**	6.4
Other reserves		**0.6**	0.5
Retained earnings		**(24.6)**	(21.0)
Total equity		**11.1**	14.6

Consolidated statement of changes in equity
Year ended 31 January 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Translation reserve £m	Retained earnings £m	Total £m
At 31 January 2023	5.4	23.3	6.4	0.3	-	(16.5)	18.9
Loss for the year	-	-	-	-	-	(4.5)	(4.5)
Total comprehensive income for the year	-	-	-	-	-	(4.5)	(4.5)
Share-based payments	-	-	-	0.2	-	-	0.2
At 31 January 2024	5.4	23.3	6.4	0.5	-	(21.0)	14.6
Loss for the year	-	-	-	-	-	(3.6)	(3.6)
Total comprehensive income for the year	-	-	-	-	-	(3.6)	(3.6)
Share-based payments	-	-	-	0.1	-	-	0.1
At 31 January 2025	**5.4**	**23.3**	**6.4**	**0.6**	**0.0**	**(24.6)**	**11.1**

Consolidated statement of cash flows

Year ended 31 January 2025

	Notes	**2025 £m**	2024 £m
Net cash outflow from operating activities	4	**(1.2)**	(4.7)
Investing activities			
Interest received on bank deposits		**0.1**	0.5
Purchase of property, plant and equipment		**(0.2)**	(0.1)
Investment in product development projects		**(2.4)**	(2.0)
Net cash used in investing activities		**(2.5)**	(1.6)
Financing activities			
Repayment of contract lease liabilities		**(0.2)**	(0.3)
Net cash utilised by financing activities		**(0.2)**	(0.3)
Net decrease in cash and cash equivalents		**(3.9)**	(6.6)
Cash and cash equivalents at the beginning of the year		**9.0**	15.6
Cash and cash equivalents at the end of the year		**5.1**	9.0

1. Basis of Preparation

The financial information set out in this announcement does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the Year ended 31 January 2025 has been extracted from the Group's audited financial statements which were approved by the Board of Directors on 23 April 2025 and which, if adopted by the members at the Annual General Meeting, will be delivered to the Registrar of Companies for England and Wales.

The financial information for the Year ended 31 January 2024 has been extracted from the Group's audited financial statements which were approved by the Board of Directors on 24 April 2024 and which have been delivered to the Registrar of Companies for England and Wales.

The reports of the auditor on both these financial statements were unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

The information included in this announcement has been prepared on a going concern basis under the historical cost convention, and in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board ("IASB") that are effective as at the date of these financial statements.

The Company is a public limited Company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange.

2. Segmental reporting

Management provides information reported to the Chief Operating Decision Maker ("CODM") as a single operating segment for the purpose of assessing performance and allocating resources. The CODM is the Chief Executive Officer.

The Group's main activities are the supply of Connected Workflow Management, automated monitoring, Internet of Things ("IoT"), and operational insight-based products and services.

Revenue by type

The following table presents the different revenue streams of Checkit:

	2025	2024
	£m	£m
Recurring revenues from subscription services	**13.1**	11.2
Consultancy and other services	**1.0**	0.8
Total	**14.1**	12.0

Geographical information

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

	Revenue from external customers	
	2025	2024
	£m	£m
United Kingdom	**10.3**	8.9
The Americas	**3.8**	3.1
Total	**14.1**	12.0

Information about major customers

During FY25, the Group had one customer who generated revenues of 13% of total revenue (FY24: 17%).

Revenue expected to be recognised

The Group expects to recognise revenue amounting to £4.7m (2024: £4.6m) in FY25 relating to performance obligations from existing contracts that are unsatisfied or partially satisfied as at 31 January 2025.

3. Operating loss

	2025	2024
	£m	£m
Operating loss is stated after charging:		
Product development costs expensed	**2.0**	1.9
Depreciation on owned property, plant and equipment	**0.2**	0.1
Depreciation on right-of-use assets	**0.2**	0.3
Amortisation on development costs	**0.9**	0.7
Amortisation on computer software	**0.2**	0.2
Auditor's remuneration:		
- fees payable to the Company's auditor for the audit of the Company's annual accounts	**0.1**	0.1
- fees payable to the Company's auditor for the audit of the Company's subsidiaries pursuant to legislation	**0.0**	0.1
Total audit fees for audit services	**0.1**	0.2
Tax services	**0.0**	-
Total auditor's remuneration	**0.1**	0.2
Non-recurring or special items:		
- restructuring and integration costs	**0.3**	0.1
- HMRC investigation	**0.2**	-
- amortisation of acquired intangible assets	-	0.1
Total non-recurring or special items	**0.5**	0.2

Cooper Parry Group Limited was paid £nil for tax advisory and compliance services (2024: £nil).

4. Net cash flows from operating activities

		2025	2024
	Notes	**£m**	£m
Loss before interest and taxation			
- from continuing operations		**(4.4)**	(5.1)
Adjustments for:			
Depreciation		**0.4**	0.4
Amortisation		**1.1**	1.0

Share-based payments	**0.1**	0.2
Operating cash flow before working capital changes	**(2.8)**	(3.5)
Decrease/(increase) in trade and other receivables	**1.6**	0.1
Increase in inventories	**(0.1)**	(1.4)
Increase/(decrease) in trade and other payables	**(0.1)**	0.3
Operating cash flow after working capital changes	**(1.4)**	(4.5)
Increase/(Decrease) in provisions	**0.1**	(0.2)
Cash utilised by operations	**(1.3)**	(4.7)
Tax credit received	**0.1**	-
Net cash outflow from operating activities	**(1.2)**	(4.7)

5. Taxation

(a) Analysis of tax credit for the year

	2025 £m	2024 £m
Current taxation:		
UK corporation tax (credit) on loss for the year	**(0.3)**	(0.1)
Adjustment in respect of prior periods	**(0.5)**	-
Total current taxation	**(0.8)**	(0.1)
Deferred tax:		
On separately identifiable acquired intangibles (as a result of amortisation)	**-**	-
Total deferred taxation	**-**	-
Tax credit on continuing operations	**(0.8)**	(0.1)

(b) Factors affecting taxation credit for the year

The effective tax rate for the year was 25%.

	2025		2024	
	Tax rate	**£m**	Tax rate	£m
Loss on ordinary activities before taxation		**(4.4)**		(4.6)
Loss on ordinary activities multiplied by weighted average standard rate of corporation tax in the UK	**25.0%**	**(1.1)**	24.0%	(1.1)
Effects of:				
Expenses not deductible for tax purposes	**(12.6%)**	**0.6**	(3.2%)	0.2
Income not taxable	**17.2%**	**(0.8)**	2.1%	(0.1)
Temporary differences not recognised	**(13.1%)**	**0.6**	18.7%	0.9
Prior year adjustments	**12.7%**	**(0.6)**	-	-
R&D tax credit	**(10.3%)**	**0.5**	(1.6%)	0.1
Surrender of losses to discontinued operations	-	-	-	-
	18.9%	**(0.8)**	2.2%	(0.1)

(c) Factors that may affect future taxation charges

Deferred taxation assets amounting to £7.4m (2024: £7.7m) have not been provided in respect of unutilised income tax losses of £29.5m (2024: £30.8m) that can only be carried forward against future taxable income of that same trade as there is currently insufficient evidence that these assets will be recovered.

6. 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 year attributable to equity shareholders divided by the weighted average number of shares in issue during the year. 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.

Both of these measures are also presented on an adjusted basis, to remove the effects of non-recurring or special items, being items of both income and expense which are sufficiently large, volatile or one-off in nature, to assist the reader of the financial statements to get a better understanding of the underlying performance of the Group. The Note below demonstrates how this calculation has been performed.

	Key	**2025 m**	2024 m
Weighted average number of shares for the purpose of basic earnings per share	A	**108.0**	108.0
Dilutive effect of employee share options[1]		-	-
Weighted average number of shares for the purpose of diluted earnings per share	B	**108.0**	108.0

	Key	£m	£m
Loss for the year	C	**(3.6)**	(4.5)
Total non-recurring or special items net of tax		**0.4**	0.1
Loss for adjusted EPS	D	**(3.2)**	(4.4)

	Key	2025	2024
EPS measures			
Basic and diluted[1] EPS	C/A	**(3.3)p**	(4.2)p
Adjusted EPS measures			
Adjusted basic and diluted[1] EPS	D/A	**(2.9)p**	(4.1)p

The adjusted EPS information is considered to provide a fairer representation of the Group's trading performance.

Total earnings per share for the year attributable to equity shareholders

	Key	2025	2024
EPS measures			
Basic EPS	C/A	**(3.3)p**	(4.2)p
Diluted EPS[1]	C/B	**(3.3)p**	(4.2)p

1 In the current and prior year, the dilutive impact of employee share options is ignored since there is no dilutive impact on continuing operations EPS measures given the continuing loss for the year.

7. Intangible assets

	Development costs £m	Computer software £m	Acquired intangible assets £m	Goodwill £m	Total £m
Cost					
At 1 February 2023	9.8	1.0	4.3	4.5	19.6
Additions	2.0	-	-	-	2.0
Disposals	-	-	-	-	-
At 31 January 2024	11.8	1.0	4.3	4.5	21.6
Additions	2.4	-	-	-	2.4
Disposals	-	-	-	-	-
At 31 January 2025	**14.2**	**1.0**	**4.3**	**4.5**	**24.0**
Amortisation					
At 1 February 2023	6.8	0.3	4.2	4.3	15.6
Charge for the year	0.7	0.2	0.1	-	1.0
Disposals	-	-	-	-	-
At 31 January 2024	7.5	0.5	4.3	4.3	16.6
Charge for the year	0.9	0.2	0.0	0.0	1.1
Disposals	-	-	-	-	-
At 31 January 2025	**8.4**	**0.7**	**4.3**	**4.3**	**17.7**
Carrying amount					
At 1 February 2023	3.0	0.7	0.1	0.2	4.0
At 31 January 2024	4.3	0.5	-	0.2	5.0
At 31 January 2025	**5.8**	**0.3**	-	**0.2**	**6.3**

Acquired intangible assets are made up of the separately identified intangibles acquired with the purchase of Next Control Systems in May 2019 and those acquired with the purchase of Checkit LLC in February 2021.

Impairment testing for goodwill

The Group identifies cash-generating units (CGUs) at the operating company level, as this represents the lowest level at which cash inflows are largely independent of other cash inflows. Goodwill acquired in a business combination is allocated, at acquisition, to the groups of CGUs that are expected to benefit from that business combination.

Goodwill relates to the acquisition of Checkit UK Limited in May 2019 and of Checkit LLC in February 2021.

Goodwill values have been tested for impairment by comparing them against the "value in use" in perpetuity of the relevant CGU group. The value in use calculations were based on projected cash flows, derived from the latest forecasts prepared by management and budgets approved by the Board, discounted at CGU specific, risk adjusted, discount rates to calculate their net present value.

Key assumptions used in "value in use" calculations

The calculation of "value in use" is most sensitive to the CGU specific operating and growth assumptions that are reflected in management forecasts for the five years to January 2030. CGU specific operating assumptions are applicable to the forecasted cash flows and relate to revenue forecasts and forecast operating margins in each of the operating companies and are based on the strategic plans for the Group. Long-term growth rates are capped at 1%.

The revenue growth rates used in the cash flow forecast are based on management's expectations of the future opportunities for the Checkit platform and the ability to upsell to existing customers on a global basis, including the planned US expansion. The forecasts include the costs associated with delivering the Checkit platforms, which are directly linked to the forecast sales growth.

Discount rates are based on estimations of the assumptions that market participants operating in similar sectors would make, using the Group's economic profile as a starting point and adjusting appropriately. Sensitivity to the discount rate has been applied to evaluate impairment testing using discount rates ranging from 10% to 20%.

Following the decision to close the BEMS business unit, management has assessed that the carrying value of the goodwill associated with the acquisition of Checkit UK should be fully impaired.

The carrying value in relation to the acquisition of Checkit LLC has not identified any impairment.

8. Non-GAAP performance measures

A reconciliation of non-GAAP performance measures to reported results is set out below:

Profit measures - LBITDA

	2025	2024
	£m	£m
LBITDA	**(2.3)**	(3.4)
Depreciation and amortisation	**(1.5)**	(1.3)
Share-based payment charge	**(0.1)**	(0.2)
Non-recurring or special items	**(0.5)**	(0.2)
Operating loss for the year	**(4.4)**	(5.1)