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Crimson Tide PLC
28 September 2021

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Crimson Tide plc

Interim results for the six months ended 30 June 2021

Crimson Tide plc ("Crimson Tide" or "the Company"), the provider of the mpro5 solution is pleased to announce its unaudited interim results for the six months ended 30 June 2021.

Financial headlines

- Turnover increase of 13.8% to £2,015k (H1 2020: £1,770k)
- EBITDA increase of 12.5% to £529k (H1 2020: £470k)
- Profit before tax increased by 11.3% to £286k (H1 2020: £257)
- Fundraise of £5.6m (net of fees) finalised during April 2021, of which £250k spent in H1

Operational highlights

- Expansion of food safety use of mpro5
- Early progress on micro business version
- UAT completed for patient version of mpro5
- Raleigh, NC established as US base
- Significant hires in sales, marketing and development

Barrie Whipp, Founder and Chairman, commented,

"With the completed fundraise for expansion purposes, we are set to experience a new phase of growth as a business. We are now in a position to deliver our version of mpro5 for micro/nano business while mpro5 continues to perform strongly in our key enterprise sectors of transport, facilities management and retail. We are about to experience a period of significant expenditure on growth, which will change our profile in H2 2021 and 2022, with the firm belief that we have a bright future ahead".

About the Company
Crimson Tide plc is the provider of mpro5 - a leading, cloud-based, cross-platform, SaaS mobile workflow solution. mpro5 enables organisations to drive efficiencies through mobile data capture, Internet of Things sensors, process automation, and real-time analytics. Supporting over 100,000 users across multiple countries and industries, mpro5 is provided on multi-year subscription basis driving immediate return on investment for its users.

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Chairman's Statement

The first half of the year demonstrated the robustness of our long-term subscription model for mpro5, whilst setting us up for the largest capital raise in our history. With early wins in the food safety sector as well as the utility vertical, we were able to demonstrate the sound business model that attracted several highly respected investors in the AIM market to participate in our fundraising in April.

Our increased capital base and cash generated from mpro5's existing operations saw cash increase to in excess of £6.5m, and we are now in the early days of implementing the strategy presented to investors. We are addressing client feature requests for the core mpro5 platform which inherently enhances our sales process. Our enterprise deals, by their nature, can have longer lead times, however our abilities in IoT and dashboarding are making mpro5 even more compelling. We are currently focused on the transport, facilities management and retail sectors and our key model is to "land and expand" with enterprise clients. Part of this strategy is to be able to assist them wherever their business is located.

Internationally, we have established mpro5 Inc, based in Raleigh, North Carolina. This is not a grand physical strategy but a tactical approach, where our US CEO, Mark Self can approach existing clients (or clients of clients) as well as establish partnerships and relationships. Our mpro5 demo systems and marketing material can help us add new business based upon existing use cases. We have expanded into Scandinavia: whilst only in a very small way to date, this is an excellent example of how mpro5's value in the UK & Ireland is replicable with international clients in their other geographic markets. Adding the World Federation of Haemophilia to our subscription base also represents a highly exciting opportunity. Our patient app, previously applicable to patients with haemophilia has been completely reengineered to suit any condition where patients need to report usage of medication as well as verification that the medicine is in date, applicable to them and not counterfeit. We are as excited with the opportunities in this sector as any of our business verticals.

Project wrkrz, our version of mpro5 for micro/nano business is undergoing first stage development as well as market research, branding and technical stack progress on an ongoing basis. We aim for release in Q2, 2022 and it should be noted that many of the new learnings are also relevant to future developments in mpro5. Our market research indicates that there is a clear market for this low touch version of mpro5 in the trades sector and will see significant investment in the coming years.

This has been an important half year for Crimson Tide plc. With the capital backing that we have previously lacked, we can now invest in some of the opportunities that we know exist, as well as major partner acquisition, integration and more aggressive R&D. We feel that we can now market our business aggressively. I encourage you to visit mpro5.com to view our case studies and marketing material. This business has never been so well set. The addition of a Head of Marketing, US CEO and Jacqueline Daniell, as a new Non-Executive Director, has strengthened our executive and board significantly.

We are keenly focused on expanding the business in our key sectors, whilst exploring geographic opportunities and developing our micro business and patient versions of the mpro5 platform. We have strengthened our team, identified our marketing and development partners and will press ahead with ambition and optimism.

Barrie Whipp
Founder and Chairman
28 September 2021

Financial Review

Financial indicator	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000	Increase %	Year ended 31 December 2020 £'000
Revenue	2,015	1,770	13.8%	3,542
Gross profit	1,652	1,404	17.7%	2,865
EBITDA	529	470	12.5%	946
Profit before tax	286	257	11.3%	532

The half-year financial results for 2021 reflect double-digit growth across all the key financial indicators.

Revenue
Revenue growth remained robust during the period, with monthly recurring revenue as at 30 June 2021 at c£300,000 (H1 2020: c£235,000). Consultancy fees contributed £178,000 to revenue during the period (H1 2020: £255,000). Revenue churn during the period remained low at 1.4% (H1 2020: 3.9%). Geographically the revenue split remained consistent to that of the prior year, with the UK contributing 92% of revenue (H1 2020: 93%).

Cost of Sales and gross profit
The gross profit margin of 82% remained above the Board's target rate of 80% (H1 2020: 79%).

Other income
Other income reflects the sale of legacy hardware devices. The nature of this is not recurring.

Cashflow
Operating cash flows before movement in working capital increased to £530,000 (H1 2020: £476,000). Although cash generated by operations of £111,000 (H1 2020: £1.03 million) appears to have decreased, this is mostly an effect of the measures that the Board put in place during the first lockdown in 2020 to preserve cash, with the subsequent correction taking place during the current period. Cash prior to the fundraise in April was c£1m. Following the successful raise of £5.6 million (net of fees) at the end of April, the Company has spent approximately £250,000 on initiatives highlighted during the fundraise process. It is expected that this amount will increase during H2 2021. Investment in marketing will also increase, under the guidance of the newly appointed Head of Global Marketing.

Lease liabilities
Loans and leases decreased to £205,000 (H1 2020: £410,000) and obligations will conclude during the following 18 months. No new leases were entered into during the period under review.

Intangible asset
Software development costs of £259,000 (H1 2020: £229,000) were capitalised during the period under review, while amortisation amounted to £123,000 (H1 2020: £100,000). The value of the capitalised software intangible asset at period-end was £1.8 million (H1 2020: £1.45 million).

Earnings per share
Following the issue of 200 million ordinary shares on 23 April 2021, the total number of ordinary shares in issue at period end was 657,486,234 (H1 2020: 457,486,234). Basic and diluted earnings per share was 0.05p (H1 2020: 0.06p) during the period under review.

Condensed Consolidated Statement of Profit or Loss
for the 6 months to 30 June 2021

	Unaudited 6 Months ended 30 June 2021 £000	Unaudited 6 Months ended 30 June 2020 £000	Audited 12 Months ended 31 December 2020 £000
Revenue	2,015	1,770	3,542
Cost of Sales	(363)	(366)	(677)
Gross Profit	1,652	1,404	2,865
Other income	123	-	5
Administrative expenses	(1,477)	(1,128)	(2,309)
Operating profit	298	276	561
Finance costs	(12)	(19)	(29)
Profit before taxation	286	257	532
Taxation	-	-	202
Profit for the period attributable to equity holders of the parent	286	257	734

Earnings per share	Unaudited 6 Months ended 30 June 2021	Unaudited 6 Months ended 30 June 2020	Audited 12 Months ended 31 December 2020
Basic earnings per Ordinary Share	0.05p	0.06p	0.16p
Diluted earnings per Ordinary Share	0.05p	0.06p	0.16p

Condensed Consolidated Statement of Comprehensive Income
for the 6 months to 30 June 2021

	Unaudited 6 Months ended 30 June 2021 £000	Unaudited 6 Months ended 30 June 2020 £000	Audited 12 Months ended 31 December 2020 £000
Profit for the period	286	257	734

Other comprehensive income/(loss) for period:			
Exchange differences on translating foreign operations	1	6	4
Total comprehensive profit recognised in the period and attributable to equity holders of parent	287	263	738

Condensed Consolidated Statement of Financial Position at 30 June 2021

	Unaudited As at 30 June 2021 £000	Unaudited As at 30 June 2020 £000	Audited As at 31 December 2020 £000
ASSETS			
Non-current assets			
Intangible assets	2,577	2,247	2,441
Property, plant & equipment	189	291	235
Right-of-use asset	64	121	92
Deferred tax asset	32	32	32
Total non-current assets	2,862	2,691	2,800
Current assets			
Inventories	6	6	6
Trade and other receivables	1,474	1,018	1,221
Cash and cash equivalents	6,596	1,052	1,175
Total current assets	8,076	2,076	2,402
Total assets	10,938	4,767	5,202
LIABILITIES			
Current liabilities			
Trade and other payables	741	820	907
Borrowings	7	18	8
Lease liabilities	134	221	181
Total current liabilities	882	1,059	1,096
Non-current liabilities			
Borrowings	-	8	5
Lease liabilities	64	163	94
Total non-current liabilities	64	171	9
Total liabilities	946	1,230	1,195
Net assets	**9,992**	**3,537**	**4,007**

EQUITY			
Share capital	657	457	457
Share premium	5,644	148	148
Other reserves	481	480	479
Reverse acquisition reserve	(5,244)	(5,244)	(5,244)
Retained profits	8,454	7,696	8,167
Total equity	**9,992**	**3,537**	**4,007**

Condensed Consolidated Statement of Changes in Equity

Six-month period ended 30 June 2021 (Unaudited)

	Share capital £000	**Share premium £000**	**Other reserves £000**	**Reverse acquisition reserve £000**	**Retained earnings £000**	**Total £000**
Balance at 31 December 2020	457	148	479	(5,244)	8,167	4,007
Shares issued	200	5,496	-	-	-	5,696
Profit for the period	-	-	-	-	286	286
Translation movement	-	-	2	-	1	3
Balance at 30 June 2021	657	5,644	481	(5,244)	8,454	9,992

Six-month period ended 30 June 2020 (Unaudited)

	Share capital £000	**Share premium £000**	**Other reserves £000**	**Reverse acquisition reserve £000**	**Retained earnings £000**	**Total £000**
Balance at 31 December 2019	457	148	475	(5,244)	7,433	3,269
Profit for the period	-	-	-	-	257	257
Translation movement	-	-	5	-	6	11
Balance at 30 June 2020	457	148	480	(5,244)	7,696	3,537

Condensed Consolidated Statement of Changes in Equity

Year ended 31 December 2020 (Audited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acquisi-tion reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2020	457	148	475	(5,244)	7,433	3,269
Profit for the period	-	-	-	-	734	734
Translation movement	-	-	4	-	-	4
Balance at 31 December 2020	457	148	479	(5,244)	8,167	4,007

Condensed Consolidated Statement of Cash flows
For the 6 months to 30 June 2021

	Unaudited 6 Months ended 30 June 2021 £000	Unaudited 6 Months ended 30 June 2020 £000	Audited 12 Months ended 31 December 2020 £000
Cash flows from operating activities			
Profit before tax	286	257	532
Adjustments for:			
Amortisation of Intangible Assets	123	100	216
Depreciation of property, plant and equipment	80	66	111
Depreciation of right-of-use assets	28	28	57
Unrealised currency translation movement	1	6	4
Interest paid	12	19	29
Operating cash flows before movement in working capital and provisions	530	476	949
Decrease in inventories	-	6	6
(Increase)/decrease in trade and other receivables	(253)	202	(1)
(Decrease)/increase in trade and other payables	(166)	346	433
Cash generated by operations	111	1,030	1,387
Income taxes received	-	-	202
Interest paid in cash	(10)	(15)	(27)
Net cash from operating activities	**101**	**1,015**	**1,562**
Cash flows from investing activities			
Purchases of property, plant and equipment	(34)	(32)	(21)
Development expenditure capitalised	(259)	(229)	(539)
Net cash used in investing activities	**(293)**	**(261)**	**(560)**

Cash flows from financing activities			
Net proceeds from share issues	5,696	-	-
Repayments of borrowings	(6)	(14)	(21)
Repayments of lease liability	(77)	(8)	(126)
Net cash from financing activities	**5,613**	**(22)**	**(147)**
Net increase in cash and cash equivalents	**5,421**	**732**	**855**
Net cash and cash equivalents at beginning of period	1,175	320	320
Net cash and cash equivalents at end of period	**6,596**	**1,052**	**1,175**

Crimson Tide Plc

Notes to the Unaudited Interim Results for the 6 months ended 30 June 2021

1. General information and basis of preparation

Crimson Tide plc is a public company, limited by shares, and incorporated and domiciled in the United Kingdom. The Company has its listing on AIM. The address of its registered office is Oakhurst House, 77 Mt. Ephraim, Tunbridge Wells, Kent, TN4 8BS.

Basis of preparation
The condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies that are consistent with those applied in the previously published financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRS as adopted by the European Union.

The information for the period ended 30 June 2021 has neither been audited nor reviewed and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Going concern
The financial statements are prepared on the going concern basis. The financial position of the Company, its cash flows and liquidity position are described in the interim financial statement and notes. The Company has the financial resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report.

2. Revenue and operating segments

The Group has two main regional centres of operation; one in the UK, the other in Ireland but the Group's resources, including capital, human and non-current assets are utilised across the Group irrespective of where they are based or originate from. The Board is the chief operating decision maker ("CODM"). The CODM allocates these resources based on revenue generation, which due to its high margin nature and the Group's reasonably fixed overheads, in turn drives profitability and

cashflow generation. The Board consider it most meaningful to monitor financial results and KPIs for the consolidated Group, and decisions are made by the Board accordingly.

In due consideration of the requirements of IFRS 8 Operating Segments, the Board consider segmental reporting by (i) business activity, by turnover, and (ii) region, by turnover to be appropriate. Business activity is best split between (i) the strategic focus of the business, i.e. mobility solutions and the resulting development services that emanate from that, (ii) non-core software solutions, including reselling third party software and related development and support services, and (iii) hardware sales to existing customers.

Segment information for the reporting periods is as follows:

	Unaudited 6 Months ended 30 June 2021	**Unaudited 6 Months ended 30 June 2020**	**Audited 12 Months ended 31 December 2020**
Revenue by business activity			
Mobility solutions and related development	1,837	1,290	3,212
Software consultancy	178	255	330
Hardware sales	-	225	-
	2,015	1,770	3,542

Revenue can be further analysed by geographic reason as follows:

	Unaudited 6 Months ended 30 June 2021	**Unaudited 6 Months ended 30 June 2020**	**Audited 12 Months ended 31 December 2020**
Revenue by geographic region			
UK	1,855	1,640	3,233
European Union	140	118	275
Rest of the world	20	12	34
	2,015	1,770	3,542

3. Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings per share is based on the profit per share attributable to ordinary shareholders and the weighted average number of ordinary shares that would be in issue, assuming conversion of all dilutive potential ordinary shares into ordinary shares.

Reconciliations of the profit and weighted average number of ordinary shares used in the calculation are set out below:

	Unaudited 6 Months ended 30 June 2021	Unaudited 6 Months ended 30 June 2020	Audited 12 Months ended 31 December 2020
Earnings per share			
Reported profit (£000)	286	257	734
Reported basic earnings per share (pence)	0.05	0.06	0.16
Reported diluted earnings per share (pence)	0.05	0.06	0.16

	Unaudited 6 Months ended 30 June 2021	Unaudited 6 Months ended 30 June 2020	Audited 12 Months ended 31 December 2020
	No. 000	**No. 000**	**No. 000**
Weighted average number of ordinary shares			
Shares in issue at start of period	457,486	457,486	457,486
Effect of shares issued during the period*	76,243	-	-
Weighted average number of ordinary shares for basic EPS	533,729	457,486	457,486
Effect of share options outstanding	291	-	2,939
Weighted average number of ordinary shares for diluted EPS	534,020	457,486	460,425

*200 million ordinary shares were issued on 23 April 2021.

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