RNS Number : 0384N
Crimson Tide PLC
18 January 2023

Crimson Tide Plc

Period end trading Update

A year of good progress, ARR at record levels

Crimson Tide Plc (TIDE) ("Crimson Tide" or "The Company"), the provider of the mpro5 solution, is pleased to provide the following trading update ahead of publishing its full-year results for the year to 31 December 2022.

Revenue for the year exceeded £5.3m, an increase of more than 30% over the prior year's figure of £4.1 million. Our gross margin remained consistent at approximately 84%. It is pleasing that the increased performance at the top line will result in a smaller-than-expected loss at the EBITDA level, despite the deployment of investment capital in marketing and growth. The Loss Before Tax will be smaller than expected (an improved performance) due to the enhanced sales figures and our decision to be cautious in marketing spend in the second half. Year-end cash stood over £3.5 million and we enter 2023 with a record Annual Recurring Revenue of £5.8m (2021: £3.8m).

Our revenues were boosted by contracts with new and existing clients. Significant wins in the catering and facilities management sectors were finalised, and we have secured an exciting new client in the utility sector. We were particularly pleased with the renewal of a contract with one of the UK's largest retailers, which will contribute to further growth in 2023 and beyond. Churn remained below 5%, with no significant contract losses.

We made strides in a market where the demand for technical human resources is high. Our new One Platform strategy web client for mpro5 is in the rollout phase, and a new mobile client upgrade is expected in the first half of 2023. We also implemented our Internet of Things back-end infrastructure, with front-end architecture a priority for 2023. This will enable a more straightforward implementation of the opportunities generated in this exciting sector, particularly with our hardware partners.

With the demand for enterprise-level mpro5 increasing, we have recently decided to focus on standardising our product offering. Our first deployment of the beepro mobile client for micro and nano businesses was released in the last quarter of the year. Its user interface, modern mobile technology and ease of use have opened up possibilities for its use in a single mpro5 catalogue. We will now aim more towards the 5-10 user companies than individual trades and have accordingly reduced our marketing spend on the micro/nano sector. Stakeholders and clients will see a new, more standardised range of products and prices in 2023.

Our investment in the American market is making headway and the team has developed an active pipeline of over 20 opportunities. We remain hopeful of the first contract signature, and 2023 will see us increase focus on a partner-led strategy across North America. We are optimistic that our relationship with Cisco Meraki will lead to further opportunities in North America and beyond.

Jacqueline Daniell, appointed as CEO in August 2022, is focused on leading our executive team in standardising our product and processes. We are already seeing the benefits in operational focus and efficiency and have added Heads of Finance and HR to allow our technical and sales teams to focus on their specialist subjects. We were delighted that Tony Knowles joined the Board as a Non-Executive Director and are currently seeking a further Independent Non-Executive Director through a recruitment process. Our current headcount is around 50, and we do not see that increasing significantly, save for where we see growth opportunities.

The Company is well structured and well funded for future growth and opportunities. The Board is excited about the future prospects for the Company.

Full-year results are expected to be published in early April. The numbers in this update remain subject to final close procedures and audit.

Enquiries:

Crimson Tide plc +44 1892 542444

Barrie Whipp / Jacqueline Daniell

finnCap Ltd (Nominated Adviser and Broker) +44 20 7220 0500

Julian Blunt / Milesh Hindocha, Corporate Finance

Andrew Burdis, Corporate Broking

Alma PR (Financial PR) +44 7780 901979

Josh Royston

For further information on Crimson Tide plc, see the websites at: www.crimsontide.co.uk and www.mpro5.com

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

TSTBRMRTMTJBBAJ