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Crimson Tide PLC
28 November 2023

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Crimson Tide plc

("Crimson Tide" or "the Company")

Trading Update

Crimson Tide Plc (TIDE) ("Crimson Tide" or "The Company"), the provider of the mpro5 solution, is pleased to provide the following trading update.

In our interim results for the period to 30 June 2023, we highlighted our ongoing focus on profitability and customer success. Since then, we have seen continued interest in our services, driven by clients' impetus towards more efficient environments using mpro5 to verify, audit and improve their processes. At the same time, we have focussed on our own operational efficiency, which, together with continued robust gross margins, means the Board now expects to deliver improved EBITDA from operating efficiencies in the current year, which we now expect to:

- partially reinvest in further growth marketing activities and partner acquisition in the UK and United States; and

- drive an EBITDA performance in FY23 of no less than £0.4m* (FY22: LBITDA -£0.4m), significantly ahead of the Board's prior expectation and a reduced Loss Before Tax of approximately £-0.7m (FY22: -£1.7m). The Loss After Tax is expected to be reduced and in the region of £-0.3m (FY22 -£-1.2m). *FY23 turnover is expected to be in line with the Board's current expectations.

The Group is continuing to deliver its objective to build a high growth long-term SaaS business with strong recurring revenues. The sectors in which we operate have been focused on Facilities Management, Retail and Food Service, allowing us to deliver at scale. Our goal is to continue to standardise mpro5 for a wide range of businesses, enabling us to scale through partner acquisition and direct sales to both SMEs and the larger enterprise-level offering. Top-line growth is now open to us across all of these sectors, both in the UK and internationally.

By partially reinvesting the gains achieved, we believe that we are strongly placed and on track to ensure we achieve sustained growth for the business going forward. The Directors remain confident in future performance and believe that our ability to scale the business has never been greater. This is underpinned by a robust balance sheet, strong pipeline of new business and increasing visibility. The Group's current cash position stands at £2.8m, with an R&D tax refund of an anticipated minimum of £0.3m due imminently.

Our foremost goal is to continue to demonstrate robust growth in annually recurring revenues. These positive outcomes demonstrate that we can scale the business very efficiently as we grow our top-line revenues.

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

* For the purpose of this announcement, the Group believes market expectations for FY23 to be revenue of £6.2m, and adjusted EBITDA of £0.2m. Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and foreign exchange.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

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