RNS Number : 3539Z
Crimson Tide PLC
18 September 2020

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Crimson Tide plc

Interim results for the six months ended 30 June 2020
Notice of Investor Presentation

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 2020.

Financial Highlights

- Turnover increase of 40% to £1.77m (H1 2019: £1.27m)
- Sales of £225k and COGS of £127k recognised due to IFRS 15
- Profit before tax increased by 154% to £257k (H1 2019: £101k)
- EBITDA increase of 72% to £470k (H1 2019: £274k)
- Strong improvement in net cash position

Operational Highlights

- Strategic focus on transportation and supermarkets / convenience stores succeeding
- New long term contract with large neighbourhood retailer adding to revenue visibility in H2 and beyond
- Increasing quality of retained client book
- Partnerships improving routes to market and scalability shortening new business sales cycle
- Growing traction from investments in innovation

Barrie Whipp, Founder & Chairman, commented,

"Crimson Tide performed exceptionally well in all areas of the business in the first half. All of our management metrics were achieved and we continued to add quality, long term subscription revenues. Our product development continued, driven by opportunities within our existing and potential customer base. The business is set fair for future growth and profitability. "

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 a multi-year subscription basis driving immediate return on investment for its users.

Investor Presentation

Crimson Tide plc will provide a live presentation to retail investors reporting on the Group's interim results via the Investor Meet Company ("IMC") platform on 22nd September 2020 at 1pm.

• The online presentation is open to all existing and potential private shareholders.

• Questions can be submitted pre-event via your IMC dashboard or at any time during the live presentation via the "Ask a Question" function. Although the Company may not be in a position to answer every question it receives, it will address the most prominent within the confines of information already disclosed to the market. Responses to the Q&A from the live presentation will be published at the earliest opportunity on the Investor Meet Company platform.

• Investor feedback can also be submitted directly to management post-event to ensure the Company can understand the views of all elements of its shareholder base.

Investors can sign up to Investor Meet Company for free and add to meet Crimson Tide plc via:

https://www.investormeetcompany.com/crimson-tide-plc/register-investor

Investors who have already registered and added to meet the Company will be automatically invited.

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Josh Royston

Chairman's Statement

By all measures, I am very pleased with the performance of Crimson Tide in the first half of 2020. A great deal of focus will be placed upon our financial results; however, the Company has continued to grow into a position of strength in terms of its client base, breadth of offering and quality of contract. Contracts won early in the year do have a more significant effect on full year performance which gives us confidence for the second half and beyond.

We continued to add to our base subscriber revenue, particularly in the supermarket and rail sectors with long term contracts. The board is just as focused on retention and extension of its existing book and we have been particularly pleased with our success in this area with existing clients adding both functionality and volume to their subscription bases. Our largest client contracts now extend for at least another three years and we managed to secure one of the country's largest neighbourhood retailers on a five-year contract. The credibility of our client base means that we spend less time in convincing new clients of the benefits of mpro5.

Our development team has grown, and we have invested a great deal of time in core improvements to the mpro5 platform. Single Sign On, a new API and further IoT (Internet of Things) development give us opportunities to integrate with enterprise software as well as sensor hardware. These areas, considered cutting-edge and speculative by many, are producing strong interest, which confirms our belief that they will result in contract generation and healthy returns on investment.

In some ways, we are limited by our comparative size to the breadth of opportunity open to us. Current plans in terms of the expansion of the capabilities of mpro5 involve further developments in IoT, particularly population movement and density, as well as expansion of the API into other enterprise software. We have agreed an extension of one of our significant healthcare contracts and this has led us to commence work on an entirely new version of mpro5 for health which is scheduled to beta in the coming months. This will allow us to consolidate our healthcare versions as well as attack new opportunities.

Our growing partner channel is consistently introducing new opportunities. Whilst this has a minor effect on gross margin, it does mean that the cost of sourcing new business decreases and assists us with onboarding and client satisfaction. We hope to conclude further partnerships in due course, which will have the effect of expanding our sales team and reach.

Crimson Tide is well set financially, has a team to deliver further growth and an enviable client base. Thanks to our fantastic team, led by Luke Jeffrey, we have not been affected by recent political and health events, which shows our strength and agility. These facts should see us continue to grow and, with our high margin, long term contracted revenue book and innovative nature, we are confident for the future.

Barrie Whipp
Founder & Chairman
18 September 2020

Crimson Tide plc
Condensed Consolidated Statement of Profit or Loss
for the 6 months to 30 June 2020

	Unaudited 6 Months ended 30 June 2020 £000	Unaudited 6 Months ended 30 June 2019 £000	Audited 12 Months ended 31 December 2019 £000
Revenue	1,770	1,267	2,921
Cost of providing services	(239)	(162)	(375)
Cost of sales of goods	(127)	-	-
Gross Profit	1,404	1,105	2,546
Other income	-	-	135
Administrative expenses	(1,128)	(985)	(2,285)
Operating profit	276	120	396
Finance costs	(19)	(19)	(44)
Profit before taxation	257	101	352
Taxation	-	-	-
Profit for the period attributable to equity holders of the parent	257	101	352

Earnings per share	Unaudited 6 Months ended 30 June 2020	Unaudited 6 Months ended 30 June 2019	Audited 12 Months ended 31 December 2019
Basic earnings per Ordinary Share	0.06p	0.02p	0.08p
Diluted earnings per Ordinary Share	0.06p	0.02p	0.08p

Condensed Consolidated Statement of Comprehensive Income for the 6 months to 30 June 2020

	Unaudited 6 Months ended 30 June 2020 £000	Unaudited 6 Months ended 30 June 2019 £000	Audited 12 Months ended 31 December 2019 £000
Profit for the period	257	101	352
Other comprehensive income/(loss) for period:			
Exchange differences on translating foreign operations	6	-	(3)
Total comprehensive profit recognised in the period and attributable to equity holders of parent	263	101	349

Condensed Consolidated Statement of Financial Position at 30 June 2020

	Unaudited As at 30 June 2020 £000	Unaudited As at 30 June 2019 £000	Audited As at 31 December 2019 £000
ASSETS			
Non-current assets			
Intangible assets	2,247	2,019	2,118
Equipment, fixtures & fittings	291	354	325
Right-of-use asset	121	176	149
Deferred tax asset	32	32	32

Total non-current assets	2,691	2,581	2,624
Current assets			
Inventories	6	14	12
Trade and other receivables	1,018	984	1,220
Cash and cash equivalents	1,052	489	320
Total current assets	2,076	1,487	1,552
Total assets	4,767	4,068	4,176
LIABILITIES			
Current liabilities			
Trade and other payables	820	552	474
Borrowings	18	33	31
Lease liabilities	221	155	228
Total current liabilities	1,059	740	733
Non-current liabilities			
Borrowings	8	23	9
Lease liabilities	163	284	165
Total non-current liabilities	171	307	174
Total liabilities	1,230	1,047	907
Net assets	**3,537**	**3,021**	**3,269**
EQUITY			
Share capital	457	457	457
Share premium	148	148	148
Other reserves	480	478	475
Reverse acquisition reserve	(5,244)	(5,244)	(5,244)
Retained profits	7,696	7,182	7,433
Total equity	**3,537**	**3,021**	**3,269**

Condensed Consolidated Statement of Changes in Equity

Six-month period ended 30 June 2020 (Unaudited)

	Share capital £000	**Share premium £000**	**Other reserves £000**	**Reverse acquisi-tion 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	-	-	5	-	6	11

movement						
Balance at 30 June 2020	457	148	480	(5,244)	7,696	3,537

Six-month period ended 30 June 2019 (Unaudited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total £000
Balance at 31 December 2018	457	148	478	(5,244)	7,081	2,920
Profit for the period	-	-	-	-	101	101
Balance at 30 June 2019	457	148	478	(5,244)	7,182	3,021

Condensed Consolidated Statement of Changes in Equity

Year ended 31 December 2019 (Audited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2019	457	148	478	(5,244)	7,081	2,920
Profit for the period	-	-	-	-	352	352
Translation movement	-	-	(3)	-	-	(3)
Balance at 31 December 2019	457	148	475	(5,244)	7,433	3,269

Condensed Consolidated Statement of Cash flows
For the 6 months to 30 June 2020

	Unaudited 6 Months ended 30 June 2020 £000	Unaudited 6 Months ended 30 June 2019 £000	Audited 12 Months ended 31 December 2019 £000
Cash flows from operating activities			

Profit before tax	257	101	352
Adjustments for:			
Amortisation of Intangible Assets	100	80	171
Depreciation of property, plant and equipment	66	74	148
Depreciation of right-of-use assets	28	-	58
Unrealised currency translation movement	6	-	(3)
Interest expense	19	19	44
Operating cash flows before movement in working capital and provisions	476	274	770
Decrease in inventories	6	1	3
Decrease/(increase) in trade and other receivables	202	(81)	(317)
Increase/(decrease) in trade and other payables	346	(20)	(98)
Cash generated by operations	1,030	174	358
Interest paid in cash	(15)	(19)	(34)
Net cash from operating activities	**1,015**	**155**	**324**
Cash flows from investing activities			
Purchases of property, plant and equipment	(32)	(27)	(72)
Development expenditure capitalised	(229)	(195)	(385)
Net cash used in investing activities	**(261)**	**(222)**	**(457)**
Cash flows from financing activities			
Repayments of borrowings	(14)	(24)	(34)
Repayments of lease liability	(8)	(52)	(126)
Net cash used in financing activities	**(22)**	**(76)**	**(160)**
Net increase/(decrease) in cash and cash equivalents	**732**	**(124)**	**(293)**
Net cash and cash equivalents at beginning of period	320	613	613
Net cash and cash equivalents at end of period	**1,052**	**489**	**320**

Crimson Tide Plc

Notes to the Unaudited Interim Results for the 6 months ended 30 June 2019

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 2019, which have been prepared in accordance with IFRS as adopted by the European Union.

The information for the period ended 30 June 2020 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 2019. 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 and (ii) hardware sales to existing customers.

Segment information for the reporting periods is as follows:

	Unaudited 6 Months ended 30 June 2020	Unaudited 6 Months ended 30 June 2019	Audited 12 Months ended 31 December 2019
Revenue by business activity			
Mobility solutions	1,545	1,267	2,921
Hardware sales under IFRS 15	225	-	-
	1,770	1,267	2,921

Hardware sales were not material in prior periods.

Revenue can be further analysed by geographic reason as follows:

	Unaudited 6 Months	Unaudited 6 Months	Audited 12 Months

	ended 30 June 2020	ended 30 June 2019	ended 31 December 2019
Revenue by geographic region			
UK	1,640	1,139	2,261
Ireland	130	128	260
	1,770	1,267	2,921

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 2020	Unaudited 6 Months ended 30 June 2019	Audited 12 Months ended 31 December 2019
Earnings per share			
Reported profit (£000)	257	101	352
Reported basic earnings per share (pence)	0.06	0.02	0.08
Reported diluted earnings per share (pence)	0.06	0.02	0.08

	Unaudited 6 Months ended 30 June 2020	Unaudited 6 Months ended 30 June 2019	Audited 12 Months ended 31 December 2019
	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	-	-	-
Weighted average number of ordinary shares for basic EPS	457,486	457,486	457,486
Effect of share options outstanding	-	9,250	7,427

Weighted average number of ordinary shares for diluted EPS	457,486	466,736	464,913

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