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Crimson Tide PLC
29 January 2019

Crimson Tide plc ("Crimson Tide" or "the Company")

Trading Update for the year ended 31 December 2018

PROFITS EXPECTED TO BE AHEAD OF MARKET EXPECTATIONS

EXCITING DEVELOPMENTS ACROSS THE BUSINESS

- *Profit before tax expected to be ahead of market forecast*
- *Customers generating long-term revenues up 18%*
- *Record opportunities generated in 2018 up over 250%*
- *New IoT solution sales channel created*
- *Maiden NHS order taken with 2019 growth expected*
- *International expansion with first customers in Denmark and Dubai*
- *Growing partner community contributing early revenues*
- *Successful pilot in Tanzania and Indonesia with a Global Regulatory Authority in pharmaceuticals*
- *Biometric Time & Attendance module released to market with early adoption in evidence*
- *New web client released in Q4 2018 well received by customers and prospects*
- *mpro5 platform in use in over 250,000 sites*

Crimson Tide, the creator of mpro5 - a leading cloud-based managed mobility service (AIM: TIDE.L), announces a trading update for the year ended 31 December 2018. The Company is pleased to announce that it expects Profit Before Tax to be ahead of market forecasts, subject to year-end financial close and audit procedures.

This is especially pleasing notwithstanding the substantial investments in new sales & marketing staff and associated expenditure in line with the strategy communicated to the market. Revenues continued to grow which was particularly pleasing given the Company's continued strategy to convert consultancy and hardware sales revenue to long term subscription revenue. At the year end the Company had cash at bank in excess of £600k and had reduced the debt on device lease agreements resulting in another increase at the year end in Net Funds.

Following the Company's investments in sales & marketing during 2018, Crimson Tide saw an accelerated number of subscriber additions, ending the period with an increase in the customer base of 18%, all of which will contribute to long-term subscription revenues. The platform is now in use in over 250,000 sites. The Company has also experienced a sharp rise in the number of opportunities generated during the year, and at the period end recorded an increase of over 250% in the number of opportunities.

Investment in the mpro5 platform in 2018 brought a new Internet of Things (IoT) module, '5things' to its existing customer base. This module moves the mpro5 platform into the automation space, allowing real-time monitoring via sensors and automated scheduling to mobile devices. This module allows for new opportunities for upselling to the entire existing subscription base.

To compliment this offering, the Company has invested in a new 'Solution Sales' channel being launched in January 2019, offering IoT, MDM (Mobile Device Management), and SIM connections to existing and new customers alike. The Company is also pleased to announce the recruitment of a new Director of Solution Sales for this channel, directly from the UK's largest independent business telecommunications provider, having over 30 years' experience in the field.

The Company's mpro5 platform was successfully certified and listed on the Government's G-Cloud Marketplace in 2018. This allows for hundreds of public sector organisations to independently research and purchase mpro5 subscription services directly, and the Company was pleased to announce its first subscription with an NHS trust as of March 2018 and is focused on extending this to cover further trusts in 2019.

Subscriber additions were made internationally and the Company welcomed its first subscribers in both Dubai and Denmark. Both markets are using the mpro5 service in the well-established verticals of facilities management and cleaning.

The Company has received positive feedback from two pilots running in the pharmaceuticals industry in Tanzania and the Philippines respectively, whereby its mpro5 platform is being used to capture, collate, and notify in real-time a global regulatory authority of counterfeit pharmaceuticals in the supply chain. The Company is hopeful of wider adoption globally.

Crimson Tide has established a partner channel which added revenue in late 2018 within the market of transport & logistics. The Company is optimistic in pursuing these new markets with its mpro5 offering. This channel is expected to deliver further growth opportunities from 2019.

Development of the mpro5 platform includes a new biometric Time & Attendance module, allowing customers to monitor attendance of staff on disparate locations using facial recognition, fingerprint, or landline PIN authentication. Customer adoption is already in evidence.

In late Q4 the Company completed the development of its new web client 'Project13.' This has been released to the entire customer base as of Jan 2019 to widespread positive feedback.

Barrie Whipp, Executive Chairman of Crimson Tide, commented:

"We can take great encouragement from 2018. Our investments in Sales & Marketing have begun to pay off. Enhancements in mpro5 and the widening of our channels mean that the Board is very optimistic for the future."

Luke Jeffrey, Chief Executive Officer of Crimson Tide, commented:

"2018 has been an incredible year of transformation for the Company and our mpro5 platform. We are readily positioned with the right product to prosecute our successful marketing strategy.

The huge growth in opportunity indicates appetite for our SaaS offering, and the long-term subscription gives us great future visibility of revenues.

Our first partners are excited about the programme and our international expansion is really starting to pick up pace.

I am incredibly proud of our team and the service that we continue to deliver to our subscribers."

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For further information on Crimson Tide plc, see the website at:
www.crimsontide.co.uk/

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