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Crimson Tide PLC
26 September 2024

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time. Upon the publication of this announcement, this information is now considered to be in the public domain.

26 September 2024

Crimson Tide plc

("Crimson Tide", "the Company" or "Group")

Interim results for the six months ended 30 June 2024

Crimson Tide plc (TIDE), the provider of the mpro5 process management app, is pleased to announce its unaudited interim results for the six months ended 30 June 2024.

Financial headlines

- Revenue growth of 3.3% to £3.1m (H1 2023: £3.0m)
- EBITDA increased by £0.2m to £0.3m (H1 2023: £0.1m)
- Gross margin increase to 88.2% (H1 2023: 84.3%)
- Further ARR improvement to £5.94m (FY23: £5.75m)
- Cash balance of £2.5m (H1 2023: £2.9m)

Operational highlights

- Marketing investment in FY23 now yielding expanding pipeline of opportunities
- Completion of new mpro5 mobile app version - mpro5: Saturn
- Tender finalist for global aviation company and Irish public service bodies - results expected in H2
- New web app version underway

Jacqueline Daniell, Chair, commented,

"This year has seen an improved product and more refined marketing producing a strong pipeline of opportunities. With a higher average deal size and a greater number of tender opportunities we have an increased sales cycle requiring a greater capacity to close. Therefore, we now expect trimmed back revenues for the full year, though nonetheless still anticipate good year-on-year EBITDA progress."

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Crimson Tide provides mpro5, the process management app. For further information, see mpro5.com and on Crimson Tide plc,https://crimsontide.co.uk/link/MrDYnP

Chairman's Statement

In my first set of results as Chair, I am pleased to report on the stability and solidity of performance. Although there is no doubt that some of last year's unexpected changes have continued to have an impact on the first half of this year, despite this, Crimson Tide's model has managed to sustain a robust gross margin of 88.2%, increasing it by nearly 4% points, whilst continuing to develop the long-term contracted revenue base with ARR moving out to £5.94m (FY2023: £5.75m).

The process management app mpro5 has continued to be significantly enhanced and upgraded. The modernised mobile application was completed and implementation and rollout of the new improved platform will continue for the rest of the year. The commitments that were made to investment in marketing last year have resulted in a much expanded pipeline. We have experienced capacity issues in some areas of sales which has meant that in some instances, the time to close those opportunities has been considerably slower than anticipated, which combined with more opportunities going to tender this year has made leveraging top line growth difficult; nonetheless we have achieved revenue growth of 3.3% on the first half of last year and a very solid bottom line improvement. The unexpected offer period of two different takeover bids, extending throughout June also diverted management time, resource and contributed to slower execution during H1.

Transitions this year have included a number of significant management changes, not only to accommodate succession plans but also to address the evolution of mpro5 and its potential expansion into additional sectors and propositions. Gaining noteworthy traction in the US remains a challenge, but the US operation continues to grow the number of good quality opportunities and take advantage of the two big technical upgrades in the product by working alongside partners as part of a wider IoT ecosystem.

Overall, the pipeline has remained extremely strong with opportunities prevailing and secure. Our strong cash position means we are now able to invest in growth, taking advantage of the new sales opportunities to expand our sales team. New initiatives introduced will start to drive quality growth in 2025 and by adjusting and correcting the strategic focus in routes to market and operational efficiency for next year, Crimson Tide will have a very solid path for revenue and profitability.

Jacqueline Daniell
Chairman
26 September 2024

Chief Executive's Statement

The first six months of this year have been a period of significant transition for Crimson Tide, presenting both challenges and opportunities. It is important to acknowledge that challenges of the nature that we've seen are rarely without difficulties, and this period has seen us showcase our combined resilience. Despite these challenges, our team has shown exceptional commitment, and their hard work is starting to pay off as we continue to drive forwards, underpinned by the inclusion in The Sunday Times Best Places to Work in 2024. We are building a stronger, more cohesive organisation, and this is reflected not only in our operational results but also in the morale and dedication of our workforce.

As a product, mpro5 is in its best shape ever due to significant investments in development and refinement over recent months which have brought us to a point where we are confident in its competitive advantage and market readiness. This positions us well as we look to further expand our presence in key sectors in which we have expertise, such as facilities management, retail, and food safety. These sectors present considerable opportunities, particularly with large enterprises, and while we acknowledge that these opportunities often come with extended sales cycles, the long-term value they represent for Crimson Tide makes them a key focus of our strategy.

Additionally, our opportunities in the USA are growing steadily. These prospects carry a higher average deal size, as expected, which is also encouraging. As regards outlook, our focus remains on closing these deals while ensuring a smooth and efficient onboarding process for all new customers. Given the increased sales cycle, our expectation is that revenue and EBITDA for H2 2024 will be broadly in line with H1 2024, evidencing good year on year EBITDA growth, albeit on flat revenues.

While we may experience some exceptional churn towards the end of 2024 relating to a covid-era deal, our sales pipeline is in good health and we are confident in the opportunities ahead. There is work to be done, but it's exciting, and fruitful work, and we are collectively moving in the right direction and I believe we are well-positioned to deliver sustainable growth over the longer term. Together, we are building a stronger future for our company, and I look forward to what lies ahead.

Philip Meyers
CEO
26 September 2024

Financial Review

Financial indicator	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Revenue	3,142	3,043	6,155
Gross Profit	2,771	2,566	5,306
EBITDA	328	106	420
(Loss)/Profit before tax	(211)	(471)	(305)
Annual recurring revenue (ARR)	5,940	5,900	5,750
Cash	2,502	2,865	3,255
Churn rate	1.2%	5.5%	16.0%

Revenue
Revenue increased by 3.3% compared to the corresponding period in 2023, while Annual Recurring Revenue (ARR) increased to £5.94. Contracted long-term revenue exceeded 90% of total revenue and revenue churn was minimal at 1.2%. The geographic split of revenue remains consistent with the prior year, with a UK weighting of 92% of revenue (H1 2023: 91%).

Cashflow and liquidity

Cash at the period-end was £2.5m (H1 2023: £2.9m). Net cash from operating activities was an outflow of £77k (H1 2023: £28k inflow).

Lease liabilities

The Company entered into a new office lease agreement at the beginning of 2022. The lease liability is currently valued at £567k (H1 2023: £871k) and the related Right-of-Use asset recognised under IFRS16. The lease liability will be settled, and the related asset depreciated, over a 5-year period.

Intangible assets

Software development costs of £553k (H1 2023: £501k) were capitalised during the period under review, while amortisation amounted to £299k (H1 2023: £260k). The value of the capitalised software intangible asset at period-end was £3.6m (H1 2023: £3.0m). Other intangible assets related to goodwill, website development costs and incremental contract costs.

Loss before taxation

The Company made a loss before taxation of £211k (H1 2023: £471k loss). The loss was in line with management expectations and arose due to the additional amortisation associated with increased investment in the software platform. The enhanced software expenditure is expected to conclude by the 2024 year-end.

Earnings per share

Basic and diluted loss per share was 0.78p (H1 2023: 4.12p loss per share) during the period under review. 13,100 share options outstanding were not included in the calculation of diluted earnings per share because they are anti-dilutive in terms of IAS 33.

Peter Hurter
Group CFO
26 September 2024

Crimson Tide plc
Condensed Consolidated Statement of Profit or Loss
for the 6 months to 30 June 2024

	Unaudited 6 Months ended 30 June 2024 £000	Unaudited 6 Months ended 30 June 2023 £000	Audited 12 Months ended 31 December 2023 £000
Revenue	3,142	3,043	6,155
Cost of Sales	(371)	(477)	(849)
Gross Profit	2,771	2,566	5,306
Other income	-	(8)	-
Administrative expenses	(2,964)	(2,991)	(5,942)
Finance costs	(18)	(38)	(52)

(Loss)/Profit before income tax expense	(211)	(471)	(688)
Taxation	160	200	383
(Loss)/Profit after taxation	(51)	(271)	(305)

(Loss)/Earnings per share	**Unaudited 6 Months ended 30 June 2024**	**Unaudited 6 Months ended 30 June 2023**	**Audited 12 Months ended 31 December 2023**
Basic (pence)	(0.78)	(4.12)	(4.64)
Diluted (pence)	(0.78)	(4.12)	(4.64)

Condensed Consolidated Statement of Comprehensive Income
for the 6 months to 30 June 2024

	Unaudited 6 Months ended 30 June 2024 £000	**Unaudited 6 Months ended 30 June 2023 £000**	**Audited 12 Months ended 31 December 2023 £000**
(Loss)/Profit for the period	(51)	(271)	(305)
Other comprehensive income/(loss) for period:			
Exchange differences on translating foreign operations	(91)	(18)	(19)
Total comprehensive (loss)/Profit recognised in the period and attributable to equity holders of parent	(142)	(289)	(324)

Condensed Consolidated Statement of Financial Position at 30 June 2024

	Unaudited As at 30 June 2024 £000	**Unaudited As at 30 June 2023 £000**	**Audited As at 31 December 2023 £000**

ASSETS			
Non-current assets			
Intangible assets	4,602	4,072	4,440
Property, plant & equipment	208	263	237
Right-of-use asset	475	740	571
Total non-current assets	5,285	5,075	5,248
Current assets			
Trade and other receivables	1,406	2,102	1,182
Cash and cash equivalents	2,502	2,865	3,255
Total current assets	3,908	4,967	4,437
Total assets	9,193	10,042	9,685
LIABILITIES			
Current liabilities			
Trade and other payables	1,264	1,669	1,514
Lease liabilities	148	194	199
Total current liabilities	1,412	1,863	1,713
Non-current liabilities			
Lease liabilities	419	677	468
Total non-current liabilities	419	677	468
Total liabilities	1,831	2,540	2,181
Net assets	**7,362**	**7,502**	**7,504**
EQUITY			
Share capital	657	657	657
Share premium	5,590	5,590	5,590
Other reserves	336	460	427
Reverse acquisition reserve	(5,244)	(5,244)	(5,244)
Retained earnings	6,023	6,039	6,074
Total equity	**7,362**	**7,502**	**7,504**

Condensed Consolidated Statement of Changes in Equity

Six-month period ended 30 June 2024 (Unaudited)

	Share capital £000	**Share premium £000**	**Other reserves £000**	**Reverse acq'n reserve £000**	**Retained earnings £000**	**Total £000**
Balance at 31 December 2023	657	5,590	427	(5,244)	6,074	7,504
Loss for the period	-	-	-	-	(51)	(51)

Translation movement	-	-	(91)	-	-	(91)
Balance at 30 June 2024	657	5,590	336	(5,244)	6,023	7,362

Six-month period ended 30 June 2023 (Unaudited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acq'n reserve £000	Retained earnings £000	Total £000
Balance at 31 December 2022	657	5,590	493	(5,244)	6,310	7,806
Loss for the period	-	-	-	-	(271)	(271)
Cancelled share options	-	-	(43)	-	-	(43)
Share options expense	-	-	28	-	-	28
Translation movement	-	-	(18)	-	-	(18)
Balance at 30 June 2023	657	5,590	460	(5,244)	6,039	7,502

Condensed Consolidated Statement of Changes in Equity

Year ended 31 December 2023 (Audited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acquisi-tion reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2022	657	5,590	493	(5,244)	6,310	7,806
Loss for the period	-	-	-	-	(305)	(305)
Share options cancelled	-	-	(69)	-	69	-
Share options expense	-	-	22	-	-	22
Translation movement	-	-	(19)	-	-	(19)
Balance at 31 December 2022	657	5,590	427	(5,244)	6,074	7,504

Condensed Consolidated Statement of Cash flows

For the 6 months to 30 June 2024

	Unaudited 6 Months ended 30 June 2024 £000	Unaudited 6 Months ended 30 June 2023 £000	Audited 12 Months ended 31 December 2023 £000
Cash flows from operating activities			
Loss before tax	(211)	(471)	(688)
Adjustments for:			
Amortisation of Intangible Assets	391	371	758
Depreciation of property, plant and equipment	34	35	74
Depreciation of right-of-use assets	96	133	206
Unrealised currency translation movement	(91)	(18)	(19)
Interest Paid	18	38	52
Cancelled share options	-	(43)	-
Share option expense	-	28	22
Operating cash flows before movement in working capital and provisions	**237**	**73**	**405**
Increase in trade and other receivables	(64)	(256)	464
(Decrease)/increase in trade and other payables	(250)	209	54
Cash (utilised)/generated by operations	**(77)**	**26**	**923**
Interest paid in cash	-	2	(52)
Income taxes received	-	-	407
Income taxes paid	-	-	(24)
Net cash (used in)/generated from operating activities	**(77)**	**28**	**1,254**
Cash flows from investing activities			
Purchases of property, plant and equipment	(5)	(34)	(47)
Purchases of other intangible assets	-	(300)	(223)
Development expenditure capitalised	(553)	(501)	(1,163)
Net cash used in investing activities	**(558)**	**(835)**	**(1,433)**
Cash flows from financing activities			
(Repayments of)/additions to lease liability	(118)	54	(184)
Net cash (used in)/ from financing activities	**(118)**	**54**	**(184)**
Net movement in cash and cash equivalents	**(753)**	**(753)**	**(363)**
Net cash and cash equivalents at beginning of period	3,255	3,618	3,618
Net cash and cash equivalents at end of period	**2,502**	**2,865**	**3,255**

Crimson Tide Plc

Notes to the Unaudited Interim Results for the 6 months ended 30 June 2024

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's shares are publicly traded on the London Stock Exchange's AIM market. The address of its registered office is Brockbourne House, 77 Mt. Ephraim, Tunbridge Wells, Kent, TN4 8BS.

Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") have been prepared using accounting policies that are consistent with those applied in the previously published financial statements for the year ended 31 December 2023, which have been prepared in accordance with UK-Adopted International Accounting Standards.

The information for the period ended 30 June 2024 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 2023. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies and is available on the Company's website. 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.

Key estimates and judgements used in the preparation of the interim financial statements remain unchanged from those noted in the published financial statements for the year ended 31 December 2023.

Going concern

The interim 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 three main regional centres of operation; one in the UK, the others in Ireland and the United States 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) non-core software solutions, including reselling third party software and related development and support services.

Segment information for the reporting periods is as follows:

	Unaudited 6 Months ended 30 June 2024 £000	Unaudited 6 Months ended 30 June 2023 £000	Audited 12 Months ended 31 December 2023 £000
Revenue by business activity			
Mobility solutions and related development	2,891	2,985	5,612
Software consultancy	251	58	543
	3,142	3,043	6,155

Revenue can be further analysed by geographic reason as follows:

	Unaudited 6 Months ended 30 June 2024 £000	Unaudited 6 Months ended 30 June 2023 £000	Audited 12 Months ended 31 December 2023 £000
Revenue by geographic region			
UK	2,890	2,780	5,636
Ireland	197	205	424
US	55	58	95
	3,142	3,043	6,155

3. Intangible assets

	Enterprise development expenditure £000	Consumer focused development expenditure £000	Website dev'ment costs £000	Incremental contract costs £000	Goodwill £000	Total £000
Cost						
At 1 January 2024	4,824	1,024	103	1,098	989	8,035
Additions	550	-	3	-	-	553
At 30 June 2024	**5,371**	**1,024**	**106**	**1,098**	**989**	**8,588**

	Enterprise development expenditure £000	Consumer focused development expenditure £000	Website dev'ment costs £000	Incremental contract costs £000	Goodwill £000	Total £000

Amortisation and impairment						
At 1 January 2024	(2,304)	(193)	(57)	(847)	(190)	(3,595)
Charge for the period	(239)	(60)	(13)	(79)	-	(391)
At 30 June 2024	**(2,543)**	**(253)**	**(70)**	**(926)**	**(190)**	**(3,986)**
Carrying amount at 30 June 2023	2,516	831	46	248	799	4,440
Carrying amount at 30 June 2024	**2,828**	**771**	**36**	**172**	**799**	**4,602**

4. 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 2024	**Unaudited 6 Months ended 30 June 2023**	**Audited 12 Months ended 31 December 2023**
Earnings per share			
Reported loss (£000)	(51)	(271)	(305)
Reported basic earnings per share (pence)	(0.78)	(4.12)	(4.64)
Reported diluted earnings per share (pence)	(0.78)	(4.12)	(4.64)

	Unaudited 6 Months ended 30 June 2024	**Unaudited 6 Months ended 30 June 2023**	**Audited 12 Months ended 31 December 2023**
	No. '000	**No. '000**	**No. '000**
Weighted average number of ordinary shares			
Shares in issue at start of period	6,575	6,575	6,575
Effect of shares issued during the period	-	-	-
Weighted average number of ordinary			

shares for basic EPS	6,575	6,575	6,575
Effect of share options outstanding	-	-	-
Weighted average number of ordinary shares for diluted EPS	6,575	6,575	6,575

On 31 October 2023 the Company completed a 100:1 share consolidation exercise. Basic and diluted EPS were retrospectively adjusted in accordance with the requirements of IAS 33 to achieve comparability.

At 30 June 2024 there were 131,000 (30 June 2023: 15,100,000; 31 December 2023: 131,000) share options outstanding. These share options were not included in the calculation of diluted earnings per share because they are antidilutive in terms of IAS 33. The reduction in share options relates to the resignation of certain employees who held options, and as a result, in accordance with the terms of the share option agreements, the options were cancelled.

5. Related party transactions

Other than the interests of Directors, being in shares, share options and remuneration, no transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard 24.

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