RNS Number : 1118C
Crimson Tide PLC
06 October 2025

6 October 2025

Crimson Tide plc

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

Final Results

Crimson Tide plc (AIM: TIDE), the provider of the process management platform mpro5, announces its audited results for the 16 month financial period ended 30 April 2025 ("**FY 2025**").

Financial Highlights*

- Revenues of £7.9 million (FY23: £6.2 million)
- Adjusted EBITDA of £0.9 million (FY23: £0.4 million)
- Annual recurring revenue ("**ARR**") of £5.6 million (FY23: £5.8 million)
- Cash and cash equivalents amounted to £1.2 million (FY23: £3.3 million)

**Note that the current period is 16 months, so figures are not comparable with the prior audited period of 12 months ended 31 December 2023.*

Operational Highlights

- Expansion across core verticals and markets
- Major upgrade of mobile and web platforms delivered
- Significant cost savings achieved through team restructuring and hosting transition
- Leadership team and governance strengthened

Chris Fielding, Non-Executive Chair of Crimson Tide, commented:

"After a highly challenging financial period, I am very confident that we have put in place an excellent executive team, and that they will restore stability to the Group and establish the necessary foundations to deliver enhanced performance and to restore shareholder value over the coming years."

Annual Report and Notice of AGM

The audited statutory report and accounts for FY 2025 will be published on the Company's website www.crimsontide.co.uk by tomorrow and will be posted to shareholders tomorrow along with notice of the Annual General Meeting to be held on 31 October 2025.

Enquiries:

Investor questions on this announcement https://crimsontide.co.uk/s/9dad28

We encourage all investors to share questions on this announcement via our investor hub

Crimson Tide plc + 44 1892 542444
Jon Clarke, Chief Executive Officer
Rachael Rowe, Finance Director

Allenby Capital Limited - Nominated Adviser & Broker +44 (0)20 3328 5656
Jeremy Porter / Dan Dearden-Williams (Corporate Finance) info@allenbycapital.com
Tony Quirke (Sales & Corporate Broking)

Engage with us by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our Interactive Investor hub here: https://crimsontide.co.uk/announcements.

Subscribe to our news alert service: https://crimsontide.co.uk/auth/signup

Chairman's Statement

The 16-month financial period ended 30 April 2025 was a period of significant challenge and change for Crimson Tide PLC. The Board received three approaches to acquire the Company in the financial period, none of which was consummated. Subsequently, the majority of the Board Directors either resigned or gave notice of their intention to do so. Barrie Whipp returned as Interim Executive Chair until I joined as Non-Executive Chair on 5 June 2025. Jon Clarke, then interim Chief Operating Officer, accepted the role of CEO on 22 July 2025 and Rachael Rowe accepted the role of Finance Director with effect from 8 September 2025. During this period, the Company experienced continued staff turnover, which has contributed to a leaner operational structure. The 16-month financial period ended 30 April 2025 was a period of significant challenge and change for Crimson Tide PLC.

Against this background, the Group delivered, in the 16 month period, revenue of £7.9m (2023: £6.1m) and an adjusted EBITDA (as explained in the Finance Report below) of £0.9m (2023: £0.4m). Cash at the period end amounted to £1.2m (2023: £3.2m) and, as at 31 August 2025, amounted to £1.3m. New business wins in the period included GTS, operator of the Elizabeth Line, and our first US food safety customer, Rudolph Foods. Since the period end, we have been pleased to sign three-year contract renewals with Booker, a leading UK wholesaler, and a major UK supermarket. We have also renewed the contract with Aspens Services, a prominent provider of catering services to schools across the UK. With the value of our new business pipeline up over 100 per cent since January 2025 to c.£0.2m of MRR, we expect to announce further new business in Q4 of 2025.

However, since mid-2025 we have received notice of termination on certain contracts. As a result, projected MRR (monthly recurring revenue) for the coming year is expected to be £414,000 compared to £480,000 in early 2024. This shortfall will need to be addressed before the Group can return to growth. Our plans for growth are outlined in the CEO statement. I am delighted that Jon Clarke and Rachael Rowe accepted their invitations to lead the Executive team. As more fully explained in Jon's statement and the strategic review below, they are looking to re-establish the foundations for the Group's future growth by focusing on sales and market realignment, enhanced positioning and simplicity, customer expansion and retention, and profitability and monetisation. I look forward to introducing Jon and Rachael at the Annual General Meeting. I would like to thank each of the Directors who have left the Board since the start of 2024 and wish them success in their future endeavours. I would also like to put on record the Board's gratitude to each of the Group's employees in what was a challenging period.

I am very confident that we have an excellent executive team in place, and that they will restore stability to the Group and establish the necessary foundations to deliver enhanced performance and to restore shareholder value over the coming years.

Chris Fielding
Non-Executive Chairman

CEO Statement

Introduction

I joined Crimson Tide in October 2024 on a part- time basis in a Chief Operating Officer capacity, with a mandate to review operations and lay the foundations for scalable growth. At that time, the business was emerging from a period of disruption following two indicative approaches to acquire the Company during H1 2024, neither of which ultimately proceeded. Shortly after my appointment, the Board proposed a third transaction, an all-share merger with Checkit plc. This proposal did not secure sufficient shareholder support and subsequently lapsed. Following this outcome, the then Chair and CEO stepped down from the Board, after which Barrie Whipp, Crimson Tide's former Executive Chair, returned on an interim basis. Around the same time, Luke Jeffrey, our Chief Technical Officer, also stepped down from the Board but remains an employee. Since then, we have taken decisive action to stabilise, refocus, and strengthen the Company, including:

- Building a highly talented and motivated team;
- Reducing overheads and improving operational efficiency;
- Aligning functions around clear commercial priorities; and
- Embedding a disciplined, execution-led culture.

These actions have placed Crimson Tide on a stronger strategic footing. Our focus is now firmly on acquiring new customers, expanding within our existing base, and significantly reducing churn to drive long-term recurring revenues.

In governance terms, we have continued to evolve and strengthen the Board. Chris Fielding succeeded Barrie Whipp as Non-Executive Chair, while Rachael Rowe joined as Finance Director on 8 September 2025, following Peter Hurter's decision to step down to establish his own business.
Finally, in July 2025, I was honoured to be appointed Chief Executive Officer. I am committed to leading Crimson Tide through its next phase, one defined by disciplined growth, operational excellence,
and sustainable value creation for our shareholders.

Financial Results

Against this background, the Group delivered, in the 16-month period, revenue of £7.9m (2023: £6.1m) and an adjusted EBITDA (as explained in the Finance Report below) of £0.9m (2023: £0.4m). Cash at the period end amounted to £1.2m (2023: £3.2m) and, as at 31 August 2025, amounted to £1.3m.

Operational Highlights

- Three proposed corporate transactions created disruption but did not proceed. We acted decisively to stabilise operations, refocus strategy, and strengthen the business for sustainable growth.
- We signed our first US customer in food safety, Rudolph Foods, and secured a landmark five-year deal with GTS, operators of the Elizabeth Line railway.
- Customer churn equated to 18% of opening MRR during the period, such that monthly recurring revenue as at 30 April 2026, based on the status of current contracts, is projected to be £414,000, compared to £480,000 as

at 1 January 2024. To address this, we have introduced structured account management and Quarterly Business Reviews (QBRs) to strengthen retention and deepen customer relationships.

- Over the 16 months to 30 April 2025, 48,634,289 flows were completed by our customers using mpro5. Flows are digital forms that replace manual paperwork.
- We accelerated product development using the Shape Up methodology (as explained further below) and delivered generational upgrades to web and mobile platforms; with Saturn, our new mobile app, now adopted by over 80% of customers with strong feedback.
- We transitioned hosting to Azure Premium Functions, which is expected to deliver annual savings of c.60% while enhancing scalability and resilience.
- We reduced full-time headcount and adopted an outsourced model in certain areas, providing flexibility to scale efficiently as the business grows.

Post Balance Sheet events

Since the balance sheet date, we are delighted to have signed three-year contract renewals with Booker, a leading UK wholesaler, and a major UK supermarket. We have also renewed the contract with Aspens, a major provider of catering services to UK schools.

We are also pleased that the value of our new business pipeline is up over 100 per cent to c.£0.2m of MRR since January 2025, which gives us confidence for the near future.

Vision and Market Opportunity

Our vision is to be the leading platform for digital compliance and workflow automation in the UK and US, enabling enterprise and mid-market organisations to improve efficiency, reduce risk, and demonstrate compliance with confidence.

We see our strongest opportunities in retail, food safety, and facilities management, where demand for digital transformation and operational visibility continues to accelerate. With a reshaped executive team, an enhanced focus on customer success, continued product investment, and a targeted go-to-market strategy, Crimson Tide is well positioned to capture a greater share of this growing opportunity.

Strategy

Our commercial strategy is built around four pillars:

1. Winning new customers
2. Growing existing accounts
3. Improving customer retention
4. Enhancing product scalability

1. Winning new customers

We have implemented a highly targeted, data-driven outbound sales process in partnership with a leading US revenue operations agency, expanded our commercial team with new Sales Development Representatives, and laid the foundations of a scalable inbound engine across Google Ads, Microsoft Ads, Meta, and LinkedIn. Importantly, our inbound and outbound strategies are fully aligned, creating a cohesive approach to customer acquisition. We have refined our market positioning to target compliance-driven, multi- location organisations in our core verticals of retail, food safety, and facilities management, supported by updated messaging and collateral.

2. Growing existing accounts

In January 2025 we introduced time tracking for professional services. Between January 2025 and August 2025, we delivered over 7,000 hours, with only a small proportion billed. Extrapolated across a year, this equates to £1.8m in potential revenue, highlighting a clear opportunity to improve margin discipline. Going forward, we will charge appropriately for professional services and introduce capped service levels aligned to pricing tiers, with additional work billed separately. These measures will protect margins, better align value to cost, and support a more disciplined operating model.

3. Improving customer retention

Customer churn has historically been a barrier to growth, and improving retention is now a central part of our strategy. We have introduced structured account management, including regular check ins and quarterly business reviews, alongside empowering customers through self-service functionality. Tools such as Zendesk streamline support enforce service-level targets, and track key success metrics including CSAT (customer satisfaction score) and NPS (net promoter score).

We will continue to support our existing reseller partners but will not add new ones going forward. The reseller model has limited our ability to directly service customers, contributed to churn, and constrained account growth. By focusing on direct relationships, we will improve customer experience and unlock stronger long-term value.

4. Enhancing product scalability

While mpro5's flexibility and customisability have long been key differentiators, they have also added complexity. We are addressing this by developing tools and enhancements that lower overheads and expand self-service. For example, an AI-driven support tool in development will allow teams to query a customer's mpro5 configuration directly, reducing the need for manual documentation an activity that consumed over 900 hours of internal effort this year. These improvements will enable us to scale more efficiently, protect margins, and reduce reliance on additional headcount as we grow.

Product Innovation

We are accelerating product development using Shape Up, a product development methodology that improves efficiency and predictability by focusing teams on clearly defined projects delivered within fixed timeframes. This has enabled faster product releases and tighter commercial alignment.

- Saturn: our new mobile client, now adopted by over 80% of customers, delivering improved performance and experience.
- Odyssey: our new web platform, now rolling out, improving usability and reducing infrastructure costs.
- Our innovation pipeline includes a new task management engine for enterprise-scale compliance, and embedded employee communications tools to deepen engagement.

Together, these advances lay the foundation for enhanced functionality, greater scalability, and expanded customer self-service.

Operational and Financial Discipline

We have restructured the operational teams over the last 12 months and supplemented with outsourced engineering and technical support at lower cost, with flexibility to scale as required.

We have partnered with Pareto, a graduate recruitment and training specialist, to bring in top sales and other talent supported by structured development. We also transitioned hosting from App Service Plan-based architecture to

Azure Premium Functions, which
is expected to reduce annual web infrastructure costs by around 60% while improving scalability and resilience.

In parallel, we engaged best-in-class freelance expertise in content marketing, performance marketing and design, enabling us to access top talent cost-efficiently. Collectively, these initiatives have improved efficiency, strengthened our operating model, and positioned the Company to scale profitably and sustainably.

New Share Option Scheme

The Board recognises the importance of aligning the interests of our staff with those of our Shareholders. We therefore intend to propose at the Annual General Meeting a new share option scheme to supplement the existing option scheme which will not be used again. The new scheme will incorporate performance conditions set by the Remuneration Committee and shares will only be issued under the new scheme to the extent that shares issued under both schemes do not exceed 10 per cent of the issued share capital over a rolling ten-year period.

Outlook and Prospects

The outlook for Crimson Tide is positive. While disruption from past corporate approaches, staff turnover and irregular customer churn presented challenges during the year, we are already seeing early impact from our new strategy. Our outbound sales process is building a strong pipeline of enterprise targets across retail, food safety and facilities management. We have begun charging appropriately for professional services, delivering platform enhancements that drive customer value, and embedding measures to address the drivers of churn.

Our budget is based on sustainable growth, providing the team and tools to execute on our strategy of winning new customers, growing accounts and increasing retention, while maintaining profitability. With a motivated team, a clear strategy, and the foundations of scalable, profitable growth now in place, I am confident that Crimson Tide is well positioned to deliver long-term value for customers and shareholders.

We anticipate that the current financial year ending 30 April 2026 will reflect our re-establishing the foundations for growth in the ensuing years.

Jon Clarke
CEO

Financial Review

Financial Indicator	**16-month ended April 2025 £m**	**Year ended December 2023 £m**
Revenue	7.99	6.16
Gross profit margin	88.0%	86.2%
Adjusted EBITDA	0.88	0.42
Loss before tax	(2.34)	(0.69)
Annual recurring revenue (ARR)	5.62	5.78
Cash	1.25	3.26

Adjusted EBITDA reconciliation to Loss before tax:

Financial Indicator	**16-month ended April 2025 £m**	**Year ended December 2023 £m**

Loss before income tax expense	(2.34)	(0.69)
Finance charges	0.04	0.05
Depreciation	0.35	0.28
Amortisation	1.17	0.76
Impairment of intangible assets	0.73	-
Share option expense	0.01	0.02
EBITDA	(0.04)	0.42
Redundancy costs	0.44	-
Aborted takeover deal fees	0.48	-
Adjusted EBITDA	0.88	0.42

Revenue

Following the distraction of three takeover approaches, Annual Recurring Revenue (ARR), remained almost flat at £5.62m (2023: £5.78m). Growth in ARR was driven by existing customers' need for additional functionality, thereby further embedding mpro5 into their operating ecosystems.
Gross profit margin improved to 88.0% (2023: 86.2%) due to enhanced efficiencies of the upgraded mobile app.

Cashflow and Liquidity

Cash at year-end amounted to £1.2m (2023: £3.2m) after accounting for extraordinary costs relating to redundancies (£0.4m) and aborted takeover deal fees (£0.5m). These items contributed to operating cash outflow for the period amounting to £0.6m (2023: £1.2 inflow). The Group has budgeted to return to positive operating cash flow for the coming financial year.

Trade Receivables

Trade receivables at year-end amounted to £1.1m (2023: £0.9m). The Group has a high-quality customer base with normally low delinquencies.

Debt and Finance Costs

Finance leases decreased to £0.4m (2023: £0.7m) in respect of the 5-year office lease in Tunbridge Wells. Finance charges of £44k (2022: £52k) primarily relate to the IFRS 16 recognition requirements of this lease.

Intangible Assets

Software development costs of £1.1m (2023: £1.2m) were capitalised during the 16-month period, while amortisation amounted to £0.9m (2023: £0.6m). Consumer-focused software was fully impaired by £0.6m. Goodwill related to the investment in Callog Ltd was fully impaired by £0.12m. This company was acquired approximately 20 years ago and its call-logging software is now obsolete. The movement in value of intangible assets are reflected in note 8 to the financial statements.

Earnings per Share

The average number of ordinary shares in issue during the year was 6,574,863. Basic and diluted loss per share was 32.76p (2023: 4.64p).

Tax

Irish corporation tax amounted to £30k (2023: £11k) with no tax payable in the UK or US due to losses brought forward and during the year. The Group received an R&D tax rebate of £0.2m (2023: £0.4m).

Financial Statements

Consolidated Statement of Profit or Loss and Comprehensive Income
FOR THE 16-MONTH PERIOD ENDED 30 APRIL 2025

	Note	2025 £000	2023 £000
Revenue	3	**7,985**	**6,155**
Cost of Sales		(955)	(849)
Gross Profit		**7,030**	**5,306**
Administrative expenses	4	(9,329)	(5,942)
Loss from operating activities		(2,299)	(636)
Adjusted EBITDA		879	424
Exceptional expenses	4	(918)	-
Depreciation and amortisation		(1,519)	(1,038)
Share based payment charge		(12)	(22)
Impairment of intangible asset	8	(729)	-
Loss from operating activities		**(2,299)**	**(636)**
Finance expenditure	4	(44)	(52)
Loss before income tax expense		**(2,343)**	**(688)**
Income tax income	6	189	383
Loss after income tax		**(2,154)**	**(305)**
(Loss)/Earnings per share (pence)			
Basic	7	(32.76)	(4.64)
Diluted	7	(32.76)	(4.64)

Consolidated Statement of Comprehensive Income		
Loss for the year	(2,154)	(305)
Items that may be classified subsequently to profit and loss		
Exchange differences on translating foreign operations	(38)	(19)
Total comprehensive loss for the year	**(2,192)**	**(324)**

Consolidated Statement of Financial Position
AT 30 APRIL 2025

	Note	2025 £000	2023 £000
Assets			
Non-current assets			
Intangible assets	8	3,604	4,440
Property, plant and equipment	9	155	237
Right-of-use asset	10	350	571
Total non-current assets		**4,109**	**5,248**
Current assets			
Trade and other receivables	12	1,342	1,182
Cash and cash equivalents	13	1,251	3,255
Total current assets		**2,593**	**4,437**

Total assets		**6,702**	**9,685**
Liabilities			
Current liabilities			
Trade and other payables	14	996	1,514
Lease liabilities	15	212	199
Total current liabilities		**1,208**	**1,713**
Non-current liabilities			
Lease liabilities	15	170	468
Total non-current liabilities		**170**	**468**
Total liabilities		**1,378**	**2,181**
Net assets		**5,324**	**7,504**
Equity			
Issued capital	16	657	657
Share premium	17	5,590	5,590
Other reserves	17	394	427
Reverse acquisition reserve	17	(5,244)	(5,244)
Retained profits	17	3,927	6,074
Total equity		**5,324**	**7,504**

Consolidated Statement of Changes in Equity
AT 30 APRIL 2025

	Issued capital	Share premium	Other reserves	Reverse acquisition reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Consolidated						
Balance at 1 January 2023	657	5,590	493	(5,244)	6,310	7,806
Loss after income tax expense for the year	-	-	-	-	(305)	(305)
Share options cancelled	-	-	(69)	-	69	-
Share options expense	-	-	22	-	-	22
Translation movement	-	-	(19)	-	-	(19)
Balance at 31 December 2023	657	5,590	427	(5,244)	6,074	7,504
Loss after income tax expense for the year	-	-	-	-	(2,154)	(2,154)
Share options cancelled	-	-	(7)	-	7	-
Share options expense	-	-	12	-	-	12
Translation movement	-	-	(38)	-	-	(38)
Balance at 30 April 2025	**657**	**5,590**	**394**	**(5,244)**	**3,927**	**5,324**

Consolidated Statement of Cash Flows
FOR THE 16-MONTH PERIOD ENDED 30 APRIL 2025

	Note	2025 £000	2023 £000
Loss before taxation		(2,343)	(688)
Adjustments for:			
Amortisation of intangibles	8	1,167	758
Impairment of intangibles	8	729	-

Depreciation of property, plant and equipment	9	88	74
Depreciation of right-of-use assets	10	264	206
Unrealised currency translation gains		(38)	(19)
Interest expense		44	52
Share option expense		12	22
Operating cash flows before movements in working capital		**(77)**	**405**
(Increase) / decrease in trade and other receivables	12	(160)	464
(Decrease) / increase in trade and other payables	14	(518)	54
Cash (used in)/generated by operations		**(755)**	**923**
Income taxes received	6	219	407
Income taxes paid	6	(30)	(24)
Interest expense		(44)	(52)
Net cash from operating activities		(610)	1,254
Cash flows from investing activities			
Purchases of property, plant and equipment	9	(6)	(47)
Purchases of other intangible assets	8	(15)	(223)
Development expenditure capitalised	8	(1,045)	(1,163)
Net cash used in investing activities		(1,066)	(1,433)
Cash flows from financing activities			
Repayments of lease liability	15	(328)	(184)
Net cash used in financing activities		(328)	(184)
Net decrease in cash and cash equivalents		(2,004)	(363)
Cash and cash equivalents at the beginning of the financial year		3,255	3,618
Cash and cash equivalents at the end of the financial year	**13**	**1,251**	**3,255**

Notes

1. Summary of significant accounting policies

i. Basis of preparation

The financial statements have been prepared in accordance with UK-Adopted International Accounting Standards and in accordance with the requirements of the Companies Act 2006.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income. The amounts in the financial statements have been rounded to the nearest thousand pounds sterling, unless otherwise stated. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

Standards, amendments and interpretations relevant to the Group's operation and adopted by the Group as at 1 January 2024. There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024, which had a significant effect on the Group's financial statements. There were also no standards, amendments or interpretations relevant to the Group's operations that have not yet become effective.

ii. Basis of consolidation

The consolidated financial statements include the financial statements of the Company as well as its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by- acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss. Any contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration is recognised in profit or loss in accordance with IFRS 9 'Financial Instruments'. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Changes in ownership interests in subsidiaries without loss of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the
relevant share acquired of the carrying value of net assets is recorded in equity.
Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to profit or loss.

iii. Going concern

The Strategic report sets out the Group's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current asset position and cash flows for the 16-month period ended 30 April 2025.

The Directors have prepared cash flow forecasts for the Group for a review period of more than twelve months from the date of approval of the 2025 financial statements and consider the assumptions used

therein to be reasonable and reflective of its long-term subscription contracts and contracted recurring revenue. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance. Alternative scenarios have also been prepared to consider sensitivities for a reduction in revenue to the end of the review period. Forecasts indicate the Group would have sufficient funds to continue as a going concern.

Should sales reduce further than the sensitised case, the Group has a number of mitigating actions such as reducing discretionary spend and delaying capital expenditure and research and development costs to protect the Group's cash position. The Directors remain confident in the long-term future prospects for the Group and therefore the Directors have a reasonable expectation that the Group has adequate resources to continue for the foreseeable future. As a result, they continue to adopt the going concern basis in preparing the financial statements.

iv. Revenue recognition

The Group derives revenue primarily from licences under contracts that typically have a 36-month term, and one-off development work. Recurring subscription revenue related to software licenses Subscription revenue represents all fees earned from granting customers a right-to-use license of the Group's software billed on a subscription basis over the contract term.

Revenue is recognised when the performance obligation has been rendered which is when a customer purchases a right-to-use mpro5 software license. The licence also includes ongoing maintenance of the software for the duration of the contract. Licences that grant a customer the right to access the Group's software and related continuous updates and support are typically recognized over time, because the customer receives and consumes the benefits of the Group's performance continuously throughout the licence period.

The associated consideration payable to Crimson Tide (consisting of the license fee and maintenance combined), is usually invoiced and settled on a monthly basis. In instances of software license renewals with existing customers where the licensed software is consistent with that initially purchased and delivered to the customer, license revenue is recognised over time when the renewal is signed, and an enforceable contract deemed to exist. This relates to one-off development work to enhance or modify the customer's mpro5 core product. It is billed in advance on a per day basis however it is recognised at a point in time, when the work is delivered, as typically the projects are of a short-term nature.

Incremental costs to obtain a contract are made up of sales commissions earned by the Group's sales teams which can be directly linked to an individual sale, relating to SaaS contracts. The asset is included within "Intangible Assets" in the statement of financial position.

The asset is amortised over the life of the contract committed for by the customer on a straight-line basis. The asset is also periodically reviewed for impairment. When the amortisation period of the asset that the Group would otherwise have recognised is one year or less,
the Group applies the practical expedient in IFRS 15.B16 and recognises these costs as an expense when incurred.

Deferred revenue (referred to as "contract liabilities" as per IFRS 15) represents prepayments from customers for wholly-unsatisfied or partially-satisfied performance obligations mainly in relation to annual in advanced billing on SaaS contracts.

2. Expenses

Profit before income tax includes the following specific expenses:

	2025 £000	2023 £000
Depreciation		
Plant and equipment	88	74
Right-of-use assets	264	206
Total depreciation	**352**	**280**
Amortisation		
Development software	944	558
Incremental contract costs	181	200
Other	42	-
Total amortisation	**1,167**	**758**
Impairment		
Development software	610	-
Goodwill	119	-
Total impairment	**729**	**-**
Finance costs		
Interest and finance charges paid/payable on lease liabilities	44	52
Finance costs expensed	44	52
Auditors remuneration for:		
Audit services	88	50

The Group's reported EBITDA for the year includes exceptional costs of £0.9m, primarily relating to unsuccessful takeover activity. These costs comprise severance payments associated with staffing restructuring and professional fees incurred in relation to legal and advisory services.

To provide a clearer view of the Group's underlying operational performance, management has presented an adjusted EBITDA measure which excludes these exceptional costs. Adjusted EBITDA is considered a more representative indicator of the recurring earnings and cash-generating capacity of the business, as it removes the impact of significant, non-recurring items that do not form part of the Group's ongoing operations.

3. Taxation

The Group has an unrecognised deferred tax asset relating to carried forward taxable losses of approximately £979,000 (2023: £410,000). A deferred tax asset has not been recognised in relation to these losses as the Group is expecting to be profitable although the timing is uncertain.

4. (Loss)/Earnings per share

The calculation of basic (loss)/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 diluted (loss)/earnings per share is based on profit 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.

Reconciliation of the weighted average number of shares used in the calculations are set out below:

	2025 £	2023 £
Basic earnings per share		
Reported (loss)/profit (£000)	(2,154)	(305)
Reported basic earnings per share (pence)	(32.76)	(4.64)
Reported diluted earnings per share (pence)	(32.76)	(4.64)

	2025	2023

	No.	No.
Weighted average number of ordinary shares		
Opening balance	6,574,863	6,574,863
Weighted average number of ordinary shares for basic EPS	6,574,863	6,574,863
Effect of options outstanding	-	-
Weighted average number of ordinary shares for diluted EPS	6,574,863	6,574,863

At 30 April 2025 there were 123,000 (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 financial information set out above does not constitute the Company's statutory accounts for the period ended 30 April 2025.

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

FR PKPBDABDDOKK