

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.

30 May 2025

Crimson Tide plc

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

Second interim results for the six months ended 31 December 2024

Crimson Tide plc (TIDE), the provider of the mpro5 process management app, is pleased to announce its unaudited second interim results for the six months ended 31 December 2024.

Financial headlines

- Exceptional costs of aborted M&A led to loss of £1m at PBT level in the period
- Y-o-Y Revenue reduced by 3% due to covid era deal churn and slow sales cycle
- Change to April Year End with budgets for April '26 evidencing achievable profitability and cash generation
- High-Margin (87% v 88%) long-term revenue supports refined strategy

Operational highlights

- Post year end management change, right-sizing of team and refocus
- Generational Software upgrades of web and mobile clients
- Leadership team established improving processes and customer satisfaction

Barrie Whipp, Chair, commented,

"After a challenging two years involving three approaches for the Company, our long-term contracted, high-margin revenue model continues to support a base where we can aim for profitability at all measures including cash, where the Company is well placed. Our team has been right-sized for our current level of revenue and is motivated to add new customers. It is just as important to extend and expand our offering to existing clients and we continue to succeed in this area. Our software has never been stronger, with significant upgrades to our mobile, web and automation systems. The Board looks forward with confidence in our model and our team."

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Julian Blunt - Corporate Finance

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Chairman's Statement

Following the uncertainty caused by three proposed corporate transactions that failed to complete in two years, the Company has produced a creditable performance on slightly lower revenues. We have changed our accounting year end to 30th April to better reflect our trading pattern, and also to allow the significant costs of the above corporate activity to be clearly shown as exceptional items. This has allowed us to set budgets for this, and the coming years focused on profitability across all measures as well as cash generation.

During the period, we did not add new recurring revenues at the level we hoped. Part of the reason for this was due to management time being diverted onto corporate work, while part was due to customer signature delays and lengthening sales cycles. However, a five-year contract to provide mpro5 to the consortium managing London's Elizabeth line demonstrates mpro5's attractiveness as a long-term solution to enterprise level clients. A particular food safety sale in the US highlights how we can assist companies make effective strides in food related compliance.

During the second half, we consciously reduced overhead to fit our developing business model, and this will mean that we run an even leaner operation than previously. I reemphasize that our focus now is on profitability whilst still allowing us to invest selectively in marketing and growth strategies, which will aid our growth in the coming years.

As far as our product is concerned, we have made generational upgrades to our mobile client, culminating in our Saturn release in the period, and 2025 will see us accelerate the amortisation of our legacy mobile software. Saturn brings more efficient processing, enhanced functionality and a sleek user interface for mobile users, supported by the latest versions of Ionic and Angular technologies. Our Odyssey web client will not only make our own staff more efficient, but it will also make usage of mpro5 on the web by our clients more easy and more intuitive. Clients will be able to use mpro5 without our intervention, which should aid new sales as well as enhance the experience for existing customers. Our Odyssey investment should also further increase margins, which are already approaching 90%. We have commenced our evolution of our Onwards software which simplifies procedures into mpro5's new Titan process configurator. We are exploring mpro5's AI potential, an enhancement of Titan, not an entirely new technology, in the second half of the year. Our product has never been stronger, and its flexibility sets it apart from competitor offerings.

Operationally we have been successful in right-sizing our team and are concentrating on customer satisfaction with mpro5 to improve our CSat and NPS figures. We experienced slippage during the corporate activities as management focus was blurred. We continue to renew and upsell to clients, our preferred sales methodology, but our churn was disappointing due to a customer selecting a weaker, but cheaper solution at the end of our contract.

Our Balance Sheet has experienced a revaluation of our software intangible asset to reflect a desire to shorten our amortization period and reduce the valuation of legacy software. Our goal is that capitalized development cost is similar to the amortized value on an annual basis reflecting continual improvements in our product. Cash was strong, save for fees on the aborted transactions.

In summary, few organisations will have experienced the distractions of three approaches for the Company in two years. It is entirely expected that performance would be adversely affected. I stepped in as Interim Executive Chair to regularize and refocus the business. This has been achieved in short order, and our strategy is being implemented by our management team, focusing first on profitable performance and then on new growth tactics based upon direct business development. A process of selecting a new Chair is under way and an announcement can be expected soon. Peter Hurter has now agreed to remain in post as CFO pending appointment of a replacement, the process for which is also now well under way.

I am confident that the Company, after a reset at the top line and with operating costs tailored accordingly, will be profitable, cash generative and in safe hands.

Barrie Whipp

Interim Executive Chairman

30 May 2025

Financial Review

Financial indicator	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Revenue	2,829	3,112	5,971	6,155
Gross Profit	2,455	2,740	5,226	5,306
Exceptional items (one-off)	(495)	-	(495)	-
(LBITDA)/EBITDA	(198)	314	130	420
Loss before tax	(1,000)	(217)	(1,211)	(688)
Annual recurring revenue (ARR)	5,241	5,750	5,241	5,750
Cash	2,066	3,255	2,066	3,255
Churn rate	14.9%	16.0%	14.9%	16.0%

Revenue

The revenue decrease of 9% compared to the corresponding period in 2023 relates to the conclusion of two Covid-era deals where the customers' requirements have changed. These contracts represent 10.2% of the churn for the period. High demand from existing customers for one-off projects contributed 10% to revenue. At least one of these projects have culminated in recurring revenue upsell post period-end, and illustrates the continued success of the Company's land-and-expand strategy. Revenue for the full-year period consequently only decreased 3% compared to 2023. The marginal reduction in the gross profit rate of 86.8% (H2 2023: 88%) relates to maintaining the cloud infrastructure of both the legacy app and the new Odyssey web client. This rate is expected to improve as customers migrate to the new version.

Exceptional items

Exceptional items include redundancy costs of approximately £0.43m. These costs will contribute approximately £1m to savings on an annualised basis post period-end. Other exceptional items relate to professional fees in relation to the bid approach made by Ideagen Limited in June 2024.

Cashflow and liquidity

Cash at the period-end was £2.1m (H2 2023: £3.3m). Net cash contributed by operating activities was £0.2m (H2 2023: £1.2m).

Lease liabilities

Lease liabilities relate to an office lease agreement which was concluded at the beginning of 2022. The lease liability is currently valued at £0.5m (H2 2023: £0.7m) 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 £0.5m (H2 2023: £0.8m) were capitalised during the period under review, while amortisation amounted to £0.3m (H2 2023: £0.3m). The value of the capitalised software intangible asset at period-end was £3.5m (H2 2023: £3.3m). Other intangible assets related to goodwill, website development costs and incremental contract costs. As previously announced, we expect the 16-month results to 30 April 2025 to show a write-down of approximately £1.0m in relation to the carrying value of the Company's intangible software asset and a change of the related amortization period to six years (currently seven years).

Loss before taxation

The Company made a loss before taxation of £1m (H2 2023: £0.2m loss). This loss includes the exceptional items of £0.5m (H2 2023: £0) referred to above.

Earnings per share

Basic and diluted loss per share was 14.78p (H2 2023: 0.52p loss per share) during the period under review. 124,000 share options outstanding were not included in the calculation of diluted earnings per share because they are anti-dilutive in terms of IAS 33.

Crimson Tide plc

Condensed Consolidated Statement of Profit or Loss for the 6 months to 31 December 2024

	Unaudited 6 Months ended 31 December 2024 £000	Unaudited 6 Months ended 31 December 2023 £000	Audited 12 Months ended 31 December 2023 £000
Revenue	2,829	3,112	6,155
Cost of Sales	(374)	(372)	(849)
Gross Profit	<u>2,455</u>	<u>2,740</u>	<u>5,306</u>
Other income	1	-	-
Administrative expenses	(3,440)	(2,943)	(5,942)
Finance costs	(16)	(14)	(52)
Loss before income tax expense	<u>(1,000)</u>	<u>(217)</u>	<u>(688)</u>
Taxation	28	183	383
Loss after taxation	<u>(972)</u>	<u>(34)</u>	<u>(305)</u>

Loss per share	Unaudited 6 Months ended 31 December 2024	Unaudited 6 Months ended 31 December 2023	Audited 12 Months ended 31 December 2023
Basic (pence)	(14.78)	(0.52)	(4.64)
Diluted (pence)	(14.78)	(0.52)	(4.64)

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

	Unaudited 6 Months ended 31 December 2024 £000	Unaudited 6 Months ended 31 December 2023 £000	Audited 12 Months ended 31 December 2023 £000
Loss for the period	(972)	(34)	(305)
<i>Other comprehensive income/(loss) for period:</i>			
Exchange differences on translating foreign operations	94	(1)	(19)
Total comprehensive loss recognised in the period and attributable to equity holders of parent	<u>(878)</u>	<u>(35)</u>	<u>(324)</u>

Condensed Consolidated Statement of Financial Position at 31 December 2024

	Unaudited As at 31 December 2024 £000	Audited As at 31 December 2023 £000
ASSETS		
Non-current assets		
Intangible assets	4,353	4,440
Property, plant & equipment	175	237
Right-of-use asset	418	571
Total non-current assets	<u>4,946</u>	<u>5,248</u>
Current assets		
Trade and other receivables	1,167	1,182
Cash and cash equivalents	2,066	3,255
Total current assets	<u>3,233</u>	<u>4,437</u>
Total assets	<u>8,179</u>	<u>9,685</u>
LIABILITIES		
Current liabilities		
Trade and other payables	1,199	1,514
Lease liabilities	223	199
Total current liabilities	<u>1,422</u>	<u>1,713</u>
Non-current liabilities		
Lease liabilities	273	468
Total non-current liabilities	<u>273</u>	<u>468</u>
Total liabilities	<u>1,695</u>	<u>2,181</u>
Net assets	<u>6,484</u>	<u>7,504</u>
EQUITY		
Share capital	657	657
Share premium	5,590	5,590
Other reserves	430	427
Reverse acquisition reserve	(5,244)	(5,244)
Retained earnings	5,051	6,074
Total equity	<u>6,484</u>	<u>7,504</u>

Condensed Consolidated Statement of Changes in Equity

Six-month period ended 31 December 2024 (Unaudited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acq'n reserve £000	Retained earnings £000	Total £000
Balance at 30 June 2024	657	5,590	336	(5,244)	6,023	7,362
Loss for the period	-	-	-	-	(972)	(972)
Translation movement	-	-	94	-	-	94
Balance at 31 December 2024	<u>657</u>	<u>5,590</u>	<u>430</u>	<u>(5,244)</u>	<u>5,051</u>	<u>6,484</u>

Six-month period ended 31 December 2023 (Unaudited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acq'n reserve £000	Retained earnings £000	Total £000
Balance at 30 June 2023	657	5,590	460	(5,244)	6,039	7,502
Loss for the period	-	-	-	-	(34)	(34)
Cancelled share options	-	-	(26)	-	69	43
Share options expense	-	-	(6)	-	-	(6)
Translation movement	-	-	(1)	-	-	(1)
Balance at 31 December 2023	657	5,590	427	(5,244)	6,074	7,504

Condensed Consolidated Statement of Changes in Equity

Year ended 31 December 2023 (Audited)

	Share capital £000	Share premium £000	Other reserves £000	Reverse acqui- sition reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2023	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 2023	657	5,590	427	(5,244)	6,074	7,504

Condensed Consolidated Statement of Cash flows

For the 6 months to 31 December 2024

	Unaudited 6 Months ended 31 December 2024 £000	Unaudited 6 Months ended 31 December 2023 £000	Audited 12 Months ended 31 December 2023 £000
Cash flows from operating activities			
Loss before tax	(1,000)	(217)	(688)
Adjustments for:			
Amortisation of Intangible Assets	651	387	758

Amortisation of intangible assets	52	57	75
Depreciation of property, plant and equipment	35	39	74
Depreciation of right-of-use assets	100	73	206
Unrealised currency translation movement	94	(1)	(19)
Interest Paid	16	14	52
Share option expense	-	37	22
Operating cash flows before movement in working capital and provisions	(104)	332	405
Decrease in trade and other receivables	88	720	464
Increase/(decrease) in trade and other payables	51	(155)	54
Cash generated by operations	35	897	923
Interest paid in cash	(16)	(54)	(52)
Income taxes received	220	407	407
Income taxes paid	(32)	(24)	(24)
Net cash generated from operating activities	207	1,226	1,254
Cash flows from investing activities			
Purchases of property, plant and equipment	(2)	(13)	(47)
Purchases of other intangible assets	(6)	77	(223)
Development expenditure capitalised	(542)	(662)	(1,163)
Net cash used in investing activities	(550)	(598)	(1,433)
Cash flows from financing activities			
Repayments of lease liability	(93)	(238)	(184)
Net cash used in financing activities	(93)	(238)	(184)
Net movement in cash and cash equivalents	(436)	390	(363)
Net cash and cash equivalents at beginning of period	2,502	2,865	3,618
Net cash and cash equivalents at end of period	2,066	3,255	3,255

Crimson Tide Plc

Notes to the Unaudited Second Interim Results for the 6 months ended 31 December 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 second 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 31 December 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

the material 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 31 December 2024 £000	Unaudited 6 Months Ended 31 December 2023 £000	Audited 12 Months ended 31 December 2023 £000
Revenue by business activity			
Mobility solutions and related development	2,467	2,733	5,612
Software consultancy	362	379	543
	<u>2,829</u>	<u>3,112</u>	<u>6,155</u>

Revenue can be further analysed by geographic reason as follows:

	Unaudited 6 Months Ended 31 December 2024 £000	Unaudited 6 Months Ended 31 December 2023 £000	Audited 12 Months ended 31 December 2023 £000
Revenue by geographic region			
UK	2,553	2,843	5,636
Ireland	221	233	424
US	55	36	95
	<u>2,829</u>	<u>3,112</u>	<u>6,155</u>

3. Intangible assets

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

Cost

At 1 July 2024	5,371	960	106	1,098	989	8,524
Additions	481	-	3	-	-	484
At 31 December 2024	5,852	960	109	1,098	989	8,040

	Enterprise development expenditure	Consumer focused development expenditure	Website dev'tment costs	Incremental contract costs	Goodwill	Total
	£000	£000	£000	£000	£000	£000
Amortisation and impairment						
At 1 July 2024	(2,543)	(253)	(70)	(1,086)	(190)	(4,142)
Charge for the period	(284)	(198)	(19)	(12)	-	(513)
At 31 December 2024	(2,827)	(451)	(89)	(1,098)	(190)	(3,629)
Carrying amount at 31 December 2023	2,516	831	46	248	799	4,440
Carrying amount at 31 December 2024	3,025	509	20	-	799	4,353

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 loss 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 loss and weighted average number of ordinary shares used in the calculation are set out below:

	Unaudited 6 Months ended 31 December 2024	Unaudited 6 Months ended 31 December 2023	Audited 12 Months ended 31 December 2023
Earnings per share			
Reported loss (£000)	(972)	(34)	(305)
Reported basic earnings per share (pence)	(14.78)	(0.52)	(4.64)
Reported diluted earnings per share (pence)	(14.78)	(0.52)	(4.64)
	Unaudited 6 Months ended 31 December 2024	Unaudited 6 Months ended 31 December 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

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 31 December 2024 there were 124,000 (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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