

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

Interim Results for the six months ended 30 June 2013

Crimson Tide, a leading service provider of mobile data solutions for business, (AIM: TIDE.L) is pleased to announce its unaudited interim results for the six months ended 30 June 2013.

Highlights

- EBITDA increased by over 30% from first half 2012
- Turnover and Profit Before Tax in line with expectations
- Continued growth in subscriber numbers with significant contract extensions
- Major pilot extended with optimism on outcome

Barrie Whipp, Executive Chairman, commented;

"I am very pleased with the progress we have made so far in 2013. Our contracted subscriber numbers and forward revenue book are the highest they have been and this underpins future periods. Our mpro5 product continues to evolve and attract new clients evidenced by recent contract wins and I am optimistic with the opportunities that we have in front of us."

Enquiries:

| | |
|----------------------------------|--------------|
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| Barrie Whipp, Executive Chairman | |

| | |
|------------------------------|---------------|
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Chairman's Statement

I am pleased to report the Company's interim results for the period to 30 June 2013, which continue to show progress in all areas. At the time of writing, we have reached record numbers of subscribers and the highest level of contracted revenue since inception.

Our results have improved in terms of turnover and EBITDA but this masks the effect of the planned movement from one off consultancy work to regular subscription revenue. In the fourth quarter our monthly overhead should become broadly covered by committed subscription or support revenue. We now expect trading in the second half to be broadly similar to the first half. We have yet to see the full benefit of some of the transactions we concluded during the first half, particularly the five year cornerstone contract with Associated News for our Metro application. The full benefits of this contract will start to flow through from 2014.

Since the half year we have also recently seen an upturn in new subscriber deals, and contract extensions. These include a 3 year extension with the National Centre for Hereditary Coagulation Disorders ("NCHCD") with contracted revenue of EUR 59,000 and new contracts announced today with Screen-care UK, Scomac Services and UK Homemaker for an aggregate of £83,700 of contracted revenue. This is testament to the fact that our mpro5 product is easier to sell for our expanding partner community. We are working particularly hard with a new strategic partner and are seeing the introduction of some significant opportunities from that channel.

I have previously made stakeholders aware of two significant trials. One is now complete, the trial successfully proved the benefits of our application, however we are still awaiting a decision from the potential client. The second, more significant trial, was extended and we are cautiously optimistic of a successful conclusion in the second half.

Stephen Goodwin will be moving from CEO to Finance Director, a part time role, and I will assume his Chief Executive responsibilities whilst continuing as Executive Chairman. Whilst not a farewell, the Board would like to record our thanks to Steve for his significant contribution as CEO.

Barrie Whipp

Executive Chairman

20th September 2013

Operating and Financial Review

I am pleased to report on our interim results for the six months to 30 June 2013 and review our year to date performance.

OPERATING REVIEW

During 2013, we have continued to invest in our mpro5 software and move existing customers onto this platform. In all cases bar one, they have renewed their existing subscription agreements for a further three year term and they continue to benefit from a mobility solution that generates efficiency savings for their businesses by allowing their mobile workers to be more productive. Case studies can be found on our website, www.crimsontide.co.uk, detailing specific uses. The exception was Associated Newspapers who renewed and added to their existing subscriber agreements for terms between three and five years, expanding the use of our application for deliveries of the Metro newspaper to the whole country.

The move away from non-core activities is now broadly complete and the related organisational changes have now been fully implemented. These have had only a small impact on the level of overheads in the first half but will result in savings in the second half. One of these changes includes me moving from the Chief Executive role incorporating the Finance Director's responsibilities, to that of Finance Director, a sensible move as our operations and processes have become more streamlined.

During the second half of 2013, we will continue to grow and develop the relationships we have with our business partner community, as these have provided the majority of our new business leads since we created this route to market last year. Thanks in part to their efforts and to the speed with which we can now roll-out our mpro5 solution, subscribers invoiced grew by over 20% in the first six months of the year and contracted future revenues increased by over 75% to £2m. The retail store pilot also continues to be positively received and we remain hopeful this will culminate in a sizable contract when the customer completes their assessment.

As we look back on the first six months of 2013, we can be pleased that our mpro5 solution is able to fulfil the majority of the opportunities in our pipeline, that our operations have been made very efficient and that we remain well placed to satisfy the ever increasing requirements of the business community for a leading edge mobility solution able to meet their current and future needs.

FINANCIAL REVIEW

Turnover in the first six months of 2013 increased to £660,000 (2012 1H: £640,000) with an improved margin of 81% (2012 1H: 79%) reflecting the focus on mpro5. Earnings before interest, tax, depreciation and amortisation totalled £128,000 for the six months to 30th June 2013, up 32% from £97,000 in the first half 2012.

Net cash generated from operations totalled £299,000 and was used to fund over £200,000 of new mobile devices for subscribers agreeing new long term contracts. Borrowings were reduced by £60,000 in the period, leaving cash balances available of £275,000 at 30th June 2013.

There have been no changes to Crimson Tide's accounting policies which can be found in the notes to the published 2012 Consolidated Financial Statements available on our website.

FUTURE PROSPECTS

As the subscriber base continues to grow, operating profits and cashflows will increase by a proportionately greater amount reflecting the operational gearing of the business, i.e. overheads will not increase in the same proportion. The long term contracted nature of the Group's revenues also provides additional security. Crimson Tide, with its evolving mpro 5 solution, is well placed to build on its achievements to date and the Board remain encouraged by the progress being made.

Stephen Goodwin

Finance Director

20th September 2013

Crimson Tide plc
Unaudited Consolidated Income Statement for the 6 months to 30 June 2013

| | Unaudited 6 Months ended 30 June 2013 £000 | Unaudited 6 Months ended 30 June 2012 £000 | Audited 12 Months ended 31 December 2012 £000 |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|
| Revenue | 660 | 640 | 1,226 |
| Cost of Sales | (125) | (132) | (259) |
| Gross Profit | <u>535</u> | <u>508</u> | <u>967</u> |
| Overhead expenses | (407) | (411) | (771) |
| <u>Earnings before interest, tax, depreciation & amortisation</u> | 128 | 97 | 196 |
| Depreciation & Amortisation | (108) | (82) | (173) |
| Profit from operations | 20 | 15 | 23 |
| Interest income | - | - | 1 |
| Interest payable and similar charges | (10) | (5) | (19) |
| Profit before taxation | 10 | 10 | 5 |
| Taxation | - | - | - |
| Profit for the year attributable to equity holders of the parent | <u>10</u> | <u>10</u> | <u>5</u> |
| | | | |
| Earnings per share | Unaudited 6 Months ended 30 June 2013 | Unaudited 6 Months ended 30 June 2012 | Audited 12 Months ended 31 December 2012 |
| Basic and diluted earnings per Ordinary Share (see Note 2) | 0.00p | 0.00p | 0.00p |

**Unaudited Consolidated Statement of Comprehensive Income
for the 6 months to 30 June 2013**

| | Unaudited 6 Months ended 30 June 2013 £000 | Unaudited 6 Months ended 30 June 2012 £000 | Audited 12 Months ended 31 December 2012 £000 |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|
| Profit for the period | 10 | 10 | 5 |
| Other comprehensive income/(loss) for period: | | | |
| Exchange differences on translating foreign operations | 6 | (6) | (4) |
| Total comprehensive profit recognised in the period and attributable to equity holders of parent | <u>16</u> | <u>4</u> | <u>1</u> |

Unaudited Consolidated Statement Of Financial Position at 30 June 2013

| | Unaudited As at 30 June 2013 £000 | Unaudited As at 30 June 2012 £000 | Audited As at 31 December 2012 £000 |
|----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Fixed Assets | | | |
| Intangible assets | 1,192 | 1,106 | 1,179 |
| Equipment, fixtures & fittings | 444 | 298 | 290 |
| | <hr/> 1,636 | <hr/> 1,404 | <hr/> 1,469 |
| Current Assets | | | |
| Inventories | 54 | 35 | 40 |
| Trade and other receivables | 438 | 513 | 513 |
| Cash and cash equivalents | 275 | 471 | 321 |
| Total current assets | <hr/> 767 | <hr/> 1,019 | <hr/> 874 |
| Total assets | <hr/> <hr/> 2,403 | <hr/> <hr/> 2,423 | <hr/> <hr/> 2,343 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 7,335 | 7,335 | 7,335 |
| Capital redemption reserve | 49 | 49 | 49 |
| Share premium | 1,090 | 1,090 | 1,090 |
| Other reserves | 438 | 430 | 432 |
| Reverse acquisition reserve | (5,244) | (5,244) | (5,244) |
| Retained earnings | (1,880) | (1,885) | (1,890) |
| Total Equity | <hr/> 1,788 | <hr/> 1,775 | <hr/> 1,772 |
| Creditors | | | |
| Amounts falling due within one year | 496 | 407 | 394 |
| Creditors | | | |
| Amounts falling due after more than one year | 119 | 241 | 177 |
| Total liabilities | <hr/> 615 | <hr/> 648 | <hr/> 571 |
| Total equity and liabilities | <hr/> <hr/> 2,403 | <hr/> <hr/> 2,423 | <hr/> <hr/> 2,343 |

Unaudited Consolidated Statement Of Changes In Equity at 30 June 2013

| | Share capital £000 | Capital redemp- tion reserve £000 | Share premium £000 | Other reserves £000 | Reverse acqui- sition reserve £000 | Retained earnings £000 | Total £000 |
|------------------------------------|--------------------------|-----------------------------------------------|--------------------------|---------------------------|------------------------------------------------|------------------------------|---------------|
| Balance at 31 December 2011 | 7,335 | 49 | 1,090 | 436 | (5,244) | (1,895) | 1,771 |
| Profit for the period | - | - | - | - | - | 10 | 10 |
| Translation movement | - | - | - | (6) | - | - | (6) |
| Balance at 30 June 2012 | 7,335 | 49 | 1,090 | 430 | (5,244) | (1,885) | 1,775 |
| Balance at 31 December 2012 | 7,335 | 49 | 1,090 | 432 | (5,244) | (1,890) | 1,772 |
| Profit for the period | - | - | - | - | - | 10 | 10 |
| Translation movement | - | - | - | 6 | - | - | 6 |
| Balance at 30 June 2013 | 7,335 | 49 | 1,090 | 438 | (5,244) | (1,880) | 1,788 |

Unaudited Consolidated Statement Of Cashflows for the 6 months to 30 June 2013

| | Unaudited 6 Months ended 30 June 2013 £000 | Unaudited 6 Months ended 30 June 2012 £000 | Audited 12 Months ended 31 December 2012 £000 |
|------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------|
| Cash flows from operating activities | | | |
| Profit from operations | 20 | 15 | 23 |
| Adjustments for: | | | |
| Amortisation of Intangible Assets | 41 | 23 | 55 |
| Depreciation of equipment, fixtures and fittings | 67 | 59 | 118 |
| Operating cash flows before movement in working capital and provisions | 128 | 97 | 196 |
| (Increase)/Decrease in inventories | (14) | 2 | (3) |
| Decrease/(Increase) in trade and other receivables | 75 | (106) | (106) |
| Increase in trade and other payables | 110 | 14 | 11 |
| Cash generated/(used) in operations | 299 | 7 | 98 |
| Taxes paid | - | - | - |
| Net cash generated in operating activities | 299 | 7 | 98 |
| Cash flows used in investing activities | | | |
| Purchase of fixed assets | (275) | (97) | (246) |
| Interest received | - | - | 1 |
| Net cash used in investing activities | (275) | (97) | (245) |
| Cash flows from financing activities | | | |
| Interest paid | (10) | (5) | (19) |
| Net (decrease)/increase in borrowings | (60) | 347 | 285 |
| Net cash (used in)/from financing activities | (70) | 342 | 266 |
| Net (decrease)/increase in cash and cash equivalents | (46) | 252 | 119 |
| Net cash and cash equivalents at beginning of period | 321 | 219 | 202 |
| Net cash and cash equivalents at end of period | 275 | 471 | 321 |

| | Unaudited 6 Months ended 30 June 2013 £000 | Unaudited 6 Months ended 30 June 2012 £000 | Audited 12 Months ended 31 December 2012 £000 |
|-------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------|
| Analysis of net funds: | | | |
| Cash and cash equivalents | 275 | 471 | 321 |
| Bank overdraft | - | - | - |
| | 275 | 471 | 321 |
| Other borrowing due within one year | (117) | (117) | (117) |
| Borrowings due after one year | (116) | (233) | (175) |
| Finance leases | (6) | (11) | (8) |
| Net funds | 36 | 110 | 21 |

Crimson Tide Plc

Notes to the Unaudited Interim Results for the 6 months ended 30 June 2013

1. Basis of preparation of interim report

The information for the period ended 30 June 2013 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It has been prepared in accordance with the accounting policies set out in, and is consistent with, the audited financial statements for the twelve months ended 31 December 2012. 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.

2. 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 2013 | Unaudited 6 Months ended 30 June 2012 | Audited 12 Months ended 31 December 2012 |
|----------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------|
| Basic and diluted earnings per share | | | |
| Reported profit (£000) | 10 | 10 | 5 |
| Reported profit per share (pence) | 0.00 | 0.00 | 0.00 |
| | | | |
| | Unaudited 6 Months ended 30 June 2013 | Unaudited 6 Months ended 30 June 2012 | Audited 12 Months ended 31 December 2012 |
| | No. 000 | No. 000 | No. 000 |
| Weighted average number of ordinary shares: | | | |
| Shares in issue at start of period | 445,486 | 445,486 | 445,486 |
| Effect of shares issued during the period | - | - | - |
| Weighted average number of ordinary shares | 445,486 | 445,486 | 445,486 |

3. Availability of this announcement

Copies of the interim report will be despatched shortly to shareholders who have requested a printed copy. Copies of this announcement are available from the Company's office, Heathervale House, Vale Avenue, Royal Tunbridge Wells, Kent TN1 1DJ, and from the Company's website, www.crimsonside.co.uk.