Final Results for the Year ended 30 September 2021

MEDIAZEST PLC
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Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014, which was incorporated into UK *law by the* European Union *(Withdrawal) Act 2018, until the release of this announcement.*

MediaZest Plc

("MediaZest" or the "Company"; AIM: MDZ)

Final Results for the Year ended 30 September 2021

MediaZest, the creative audio-visual company, is pleased to provide shareholders with final results for the year ended 30 September 2021.

CHAIRMAN'S STATEMENT

Introduction

The Board presents the consolidated audited results for the year ended 30 September 2021 for MediaZest plc ("MDZ") and its wholly owned subsidiary company MediaZest International Ltd ("MDZI") which together constitute the "Group".

MDZ Group Results for the year and Key Performance Indicators ("KPIs")

- Revenue for the year was £2,246,000 (18 months to 30 September 2020: £3,068,000).

- Gross profit was £1,075,000 (18 months to 30 September 2020: 1,524,000).

- Gross margin was 48% (18 months to 30 September 2020: 50%).

- Administrative expenses excluding depreciation and amortisation were £997,000 (18 months to 30 September 2020: £1,735,000).

- Depreciation and amortisation costs were £74,000 (18 months to 30 September 2020: £124,000).

- EBITDA profit of £78,000 (18 months to 30 September 2020: loss of £186,000).

- Net loss for the year after taxation was £140,000 (18 months to 30 September 2020: loss of £448,000).

- The basic and fully diluted loss per share was 0.0101 pence (2020 loss per share: 0.0324 pence).

- Cash in hand at 30 September 2021 was £120,000 (2020: £91,000).

MDZ Group Summary

The Group's financial results for the year ended 30 September 2021 were affected substantially by the Covid- 19 pandemic (the "Pandemic") in the first half of the year, with a significant reduction in revenue particularly during the UK lockdown between December 2020 and late February/March 2021.

In response, the Board reduced costs wherever possible without compromising the long-term goals of the business.

In the second half of the year, following the lifting of lockdown restrictions, financial performance improved considerably and the Group performed creditably, recovering to a net EBITDA profit after tax for the full year of £78,000 (18 months to 30 September 2020 loss of £186,000) and a much reduced loss after tax of £140,000 (prior period loss of £448,000).

In the second half of the year on its own, the Group recorded EBITDA profit of £127,000 and profit after tax of £20,000.

The client base has remained consistent during the year, and although during lockdown project revenues decreased in the first six months, they were generally only delayed. Many of those projects were successfully delivered in the second half of the year, despite some supply chain challenges.

The performance of the Group's recurring revenue streams, which have remained high, has been particularly pleasing. Despite some obvious reductions associated with closed or temporarily closed stores, overall recurring revenues have grown during the year and post year end. The Group has worked closely with clients to successfully sign several longer-term deals giving surety of revenues over a longer period (typically three years).

The Group's operating subsidiary, MDZI, continues to develop - successfully building value and demonstrating consistent profitability. MDZI delivered EBITDA profit of some £330,000 and a profit after tax of £206,000 for the full year.

The Group continues to operate in three core sectors:

Retail - Digital transformation continues as retailers deploy digital signage displays including window displays, self-service kiosks and large scale displays such as LED and videowalls.

Automotive - As this sector evolves rapidly the role of technology in the showroom journey increases. As a result many of the audio-visual solutions deployed in general Retail are being seen in these markets.

Corporate Offices - typical projects in this sector include hybrid meeting rooms, video conferencing technology and innovation centres - all of which are undergoing radical transformation that in many cases has been accelerated by the additional demands that the Pandemic has put upon office building technology.

As expected demand in all three continues to grow and enquiries are increasing in each of them as audio- visual technology plays a greater role in day to day operations.

Group Strategy

The Board's strategy continues to be one of growing both the quantum and quality of revenues with an emphasis upon clients where there is a long-term opportunity to deploy solutions across multiple sites and, sometimes countries, over a period of time. Whilst the majority of business is UK based, the Group services clients on both a pan-European and Global basis and expects opportunities for both to continue. As such management has worked to forge new supplier and partner relationships to easier deliver those services in the wake of travel disruption due to the Pandemic and the impact of Brexit.

The Group’s focus is on providing a high-quality Managed Service offering wrapped around hardware and software delivery that generates ongoing contractual revenues from the customer base over several years. Supply chain issues, felt across many industries have enabled the Group to add further value in the consultation and specification areas of client work as businesses look to rebound from the Pandemic.

In the longer-term, the aim is to cover the Group's costs with recurring contractual revenues to achieve consistent profitability, supplemented by one or more 'game changing' large scale roll-out projects.

With the negative financial impact of the Pandemic being felt particularly acutely in the first half of the year, the Board continued to mitigate the effects by keeping a tight control over costs in areas where variable costs could best be flexed. Government schemes such as the Job Retention Scheme were also used where appropriate to partially fund employee costs during furlough periods.

Due to the improved performance in the financial year, further fundraising efforts were not necessary.

MDZ Group Operational Review

As noted, the twelve-month period fell into two distinct phases:

The first six months trading reflected the impact of the Pandemic and slow down in activity as a result of UK lockdowns particularly between December 2020 and February/March 2021. Many clients delayed investment decisions or project delivery, instead choosing to wait for the situation to improve.

Revenues were £846,000 leading to an EBIDTA loss of £49,000 and loss after tax of £160,000. January and February 2021 were particularly challenging.

The Board closely monitored all costs to mitigate the impact of the slowdown and utilised government support schemes as appropriate. As trading in the months preceding this period had improved, the Group was able to continue until the lockdown eased without the need to raise additional financing.

The majority of revenue generated was understandably dominated by existing clients continuing ongoing committed long-term projects including Lululemon Athletica, Pets at Home, Ted Baker and Hyundai. Recurring revenue contracts with these clients and others continued to provide a steady source of income during this challenging time.

Several new clients were added during the period, however most of these projects were small albeit with the potential to grow into more significant engagements in the future.

Second half of the year

As noted above, the second six months, post lockdown, proved far more profitable for the Group with revenues of £1,400,000, EBITDA of £127,000 and Profit after tax of £20,000.

Key new client projects in the period included deployment of interactive touchscreens for Hyundai to aid customer understanding of their Electric Vehicle offerings; a tranche of additional Pets at Home stores across the UK and new client Vashi, for whom the Group delivered audio-visual solutions at their Covent Garden flagship store. The latter featured what at the time included the largest European Retail deployment of Samsung's "The Wall" Business MicroLED product as part of a double height, floor to ceiling interactive installation which received notable comment across the globe.

Long standing retail clients such as Lululemon Athletica continued to roll out digital signage in European stores and the Group was pleased to work with Ted Baker on the deployment of a high brightness window screen network in their stores. As the benefits of digital 'posters' in window become ever clearer, especially with the ability to adjust safety messaging as the Pandemic developed, demand for this type of installation has increased. The Group have worked for several years developing skills to measure return on investment of such installations as a differentiator in the market when it comes to recommending and evaluating solutions for clients as part of the consultative sales process.

Once again the Group was delighted to work with Rockar, this time on their new Jaguar Land Rover store in London's Canary Wharf.

Away from the world of Retail and Automotive Retail, management focussed on Corporate Offices with new projects for a division of AXA, and notably for logistics company Wincanton, for whom it helped deliver a state- of-the-art Innovation Centre to celebrate their ongoing commitment to developing technology in their business.

The Board believes the role of the office environment will change significantly in the coming years. Audio- visual technology will have an increasing role to play whether to manage 'hot desking', book meeting rooms, provide high quality audio and video for hybrid meetings or bring the 'wow factor' to innovation spaces. As such a new role was created to lead efforts in this market, and the Group is actively recruiting for this role as it expands the sales team.

The Group is also developing an interesting new area of expertise, assisting digital artists with procurement of technology as NFTs (Non-fungible tokens using Blockchain technology) develop rapidly across the world.

Outlook from October 2021 into 2022

At this time, it still remains difficult to fully assess the extent to which the Pandemic will affect the Group's forthcoming trading and financial performance as the situation continues to evolve. However since the lifting of the most recent lockdown measures in the first quarter of 2022, business has markedly improved. The Omicron Covid-19 variant does not appear to have significantly changed that and performance during the first quarter of the new financial year (October 2021 to December 2021) has been encouraging, with November 2021 a particularly good month for profitability.

January typically begins slowly, however in 2022 the Company has pitched for a number of potential projects, and it is the Board's view that this will continue through the current financial year as businesses seek to rebound from the Pandemic.

Ongoing long term project roll outs with customers including Hyundai, Pets at Home, Lululemon and HMV have continued into 2022 with further installations planned or underway.

The Group continues to add new recurring revenue contracts and seek to extend larger contracts in multi-year deals which has successfully improved revenues under contract during the previous financial year. The goal remains to cover a more significant element of the ongoing cost base with these revenues as the business continues to grow.

With the improvement in performance seen over the last nine months and growth in profitability of MDZI, the Board considers it an opportune time to seek to utilise the AIM listing and grow the Group by acquisition, as well as organically.

As such several potential acquisition targets have been evaluated and this remains an ongoing process. At such a time as the Board is able to identify a suitable business combination which it believes will add significant value to shareholders, it will recommend such a proposal. Whilst these discussions have been positive to date, there can be no guarantees that they will lead to a value accretive transaction or transactions for MediaZest.

With the hard-won gains of recent years, even in the face of the Pandemic and associated lockdowns, the Board remains positive about the Group’s future growth potential.

Lance O'Neill

Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Year Ended 30.9.21	Period 1.4.19 to 30.9.20
	£'000	**£'000**
Continuing operations		
Revenue	2,246	3,068
Cost of sales	(1,171)	(1,544)
Gross profit	1,075	1,524
Other operating income	-	25
Administrative expenses – excluding depreciation & amortisation	(997)	(1,735)
EBITDA	78	(186)
Administrative expenses – depreciation & amortisation	(74)	(124)
Operating profit/(loss)	4	(310)
Finance costs	(144)	(168)
Loss on ordinary activities before taxation	(140)	(478)
Income tax	-	30
Loss for the year	(140)	(448)
Loss attributable to: Owners of the parent	(140)	(448)
Loss per ordinary 0.1p share		
Basic	(0.0101)	(0.0324)
Diluted	(0.0101)	(0.0324)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 SEPTEMBER 2021

	2021	2020
	£'000	**£'000**
Non-current assets		

Goodwill	2,772	2,772
Owned		
Intangible assets	-	-
Property, plant and equipment	18	39
Right of use		
Property, plant and equipment	127	171
Total Non-current assets	**2,917**	**2,982**
Current assets		
Inventories	150	93
Trade and other receivables	414	493
Cash and cash equivalents	120	91
Total current assets	**684**	**677**
TOTAL ASSETS	**3,601**	**3,659**
Equity		
Called up share capital	3,656	3,656
Share premium	5,244	5,244
Share option reserve	146	146
Retained earnings	(7,817)	(7,677)
Total equity	**1,229**	**1,369**
Non-current liabilities		
Financial liabilities – borrowings		
Interest bearing lease liabilities	164	157
Other interest bearing loans and borrowings	108	176
Total Non-current liabilities	**272**	**333**
Current liabilities		
Trade and other payables	1,114	968
Financial liabilities – borrowings		
Invoice discounting facility	192	245
Interest bearing lease liabilities	56	59
Other interest bearing loans and borrowings	738	685

Total current liabilities	**2,100**	**1,957**
Total liabilities	**2,372**	**2,290**
Total equity and liabilities	**3,601**	**3,659**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital	Retained Earnings	Share Premium	Share Option Reserve	**Total Equity**
	£'000	£'000	£'000	£'000	**£'000**
Balance at 1 April 2019	3,656	(7,229)	5,244	146	1,817
Changes in equity					
Total comprehensive loss	-	(448)	-	-	**(448)**
Balance at 30 September 2020	**3,656**	**(7,677)**	**5,244**	**146**	**1,369**
Changes in equity					
Total comprehensive loss	-	(140)	-	-	**(140)**
Balance at 30 September 2021	**3,656**	**(7,817)**	**5,244**	**146**	**1,229**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Year Ended 30.9.21	**(Restated)Period 1.4.19 to 30.9.20**
	£'000	**£'000**
Cash flows from operating activities		
Cash generated from /(absorbed by) operations	246	(73)
Tax received	-	30

Net cash from operating activities	**246**	**(43)**
Cash flows from investing activities		
Purchase of tangible fixed assets	(8)	(29)
Net cash used in investing activities	**(8)**	**(29)**
Cash flow from financing activities		
Other loans repayments	(10)	(16)
Shareholder loan receipts	-	718
Shareholder loan repayments	(30)	(515)
Bounce back loan (repayments)/receipts	(3)	50
Invoice financing (repayments)/receipts	(53)	42
Payment of lease liabilities	(42)	(47)
Interest paid	(71)	(93)
Net cash generated from/(used in) financing activities	**(209)**	**139**
Increase in cash and cash equivalents	29	67
Cash and cash equivalents at beginning of year	91	24
Cash and cash equivalents at end of the year	**120**	**91**

NOTES TO THE FINANCIAL STATEMENTS

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006.

The financial information for the period ended 30 September 2020 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was (i) unqualified, (ii) did include a reference to which the auditor drew attention by way of emphasis without qualifying their report in respect of going concern and (iii) did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

The statutory accounts for the year ended 30 September 2021 have not yet been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to which the auditor drew attention by way of emphasis without qualifying their report in respect of going concern and (iii) did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

The 2021 accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

GOING CONCERN

The Group made a loss after tax of £140,000 (2020: loss of £448,000) and has net current liabilities of £1,416,000 (2020: £1,280,000). The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

The Directors have carefully considered the going concern assumption on the basis of financial projections and the factors outlined below.

The Directors have considered financial projections based upon known future invoicing, existing contracts, pipeline of new business and the increasing number of opportunities it is currently working on in 2022, across all main sectors the company specialises in. Several substantial new contracts have been won during the new financial year, ongoing roll out projects with existing clients continue apace, and recurring revenues remain robust. Future operating and capital costs have also been reviewed and included in the cash flow forecast prepared by the Directors.

These forecasts have also been considered in light of the ongoing economic difficulties in the global economy as a result of the Covid-19 Pandemic and consequences of the UK Brexit agreement, previous experience of the markets in which the company operates and the seasonal nature of those markets.

Management has engaged with clients where possible to understand their plans for the coming year and the likely timing of those plans. Several have indicated substantial projects which they expect to work with the Group to deliver in the next 12 months. Visibility on the timings associated with those projects is improved in the current financial year as restrictions associated with the Pandemic are lifted and many clients return to more normal working patterns and practices.

These forecasts indicate that the Group will generate sufficient cash resources to meet its liabilities as they fall due over the 12-month period from the date of the approval of the accounts.

The Directors have obtained letters of support from two shareholders who have provided material loans to the Group, stating that they will not call for repayment of the loan within the 12 months from the date of approval of these financial statements or, if earlier, until the Group has sufficient funds to do so. The balance of these loans at 30 September 2021 totalled £652,000 (2020: £589,000).

As a result the Directors consider that it is appropriate to draw up the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Whilst the financial information included in this announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement does not in itself contain sufficient information to comply with IFRS. The accounting policies used in preparation of this announcement are consistent with those in the full financial statements that have yet to be published.

The Report and Consolidated Financial Statements for the year ended 30 September 2021 will be posted to shareholders shortly and will also be available to download from the Company's website: www.mediazest.com

1. SEGMENTAL INFORMATION

Revenue for the year can be analysed by customer location as follows:

	Year Ended 30.9.21	Period 1.4.19 to 30.9.20
	£'000	£'000
UK and Channel Islands	2,178	2,669
Rest of Europe	66	374
North America	2	25
	2,246	**3,068**

An analysis of revenue by type is shown below:

	Year Ended 30.9.21	Period 1.4.19 to 30.9.20
	£'000	£'000
Hardware and installation	1,714	2,097
Support and maintenance – recurring revenue	477	832
Other services (including software solutions)	55	139
	2,246	**3,068**

Segmental information and results

The Chief Operating Decision Maker ('CODM'), who is responsible for the allocation of resources and assessing performance of the operating segments, has been identified as the Board. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Board. The Board have reviewed segmental information and concluded that there is only one operating segment.

The Group does not rely on any individual client - the following revenues arose from sales to the Group's largest client.

	Year Ended 30.9.21	Period 1.4.19 to 30.9.20
	£'000	£'000

Goods and services	228	433
Service and maintenance	131	53
	359	**486**

2. EARNINGS/(LOSS) PER ORDINARY SHARE

	Year Ended 30.9.21	**Period 1.4.19 to 30.9.20**
Profit/(Loss)	**£'000**	**£'000**
Profit/(Loss) for the purposes of basic and diluted earnings per share being net loss attributable to equity shareholders	(140)	(448)

	2021	**2020**
Number of shares	**Number**	**Number**
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,396,425,774	1,396,425,774
Number of dilutive shares under option or warrant	-	-

	2021	**2020**
	£'000	**£'000**
Weighted average number of ordinary shares for the purposes of dilutive loss per share	1,396,425,774	1,396,425,774

Basic earnings per share is calculated by dividing the loss after tax attributed to ordinary shareholders of £140,000 (2020: £448,000) by the weighted average number of shares during the year of 1,396,425,774 (2020: 1,396,425,774).

The diluted loss per share is identical to that used for basic loss per share as the options are "out of the money" and therefore anti-dilutive.

3. CASH AND CASH EQUIVALENTS

Following a review of recent IFRIC decisions the status of the invoice discounting facility was reviewed and it was determined that it should be reflected in financing activities rather than as a component of cash and cash equivalents.

	The Group	**The Group**
	2021	**2020**

	£'000	£'000
Cash held at bank	120	91
	120	**91**

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About MediaZest

MediaZest is a creative audio-visual systems integrator that specialises in providing innovative marketing solutions to leading retailers, brand owners and corporations, but also works in the public sector in both the NHS and Education markets. The Group supplies an integrated service from content creation and system design to installation, technical support, and maintenance. MediaZest was admitted to the London Stock Exchange's AIM market in February 2005. For more information, please visit www.mediazest.com