

23 May 2018

MediaZest Plc

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

Trading update

The Board is pleased to present shareholders with an update on current progress.

Results to the year ended 31 March 2018

As announced at the time of the Interim results on 15 December 2017, the Group expected to show a positive EBITDA at Group level for the first time in respect of the year ended 31 March 2018, subject to the closing of three large deals.

All three of those deals have been successfully closed, however project delays outside of the control of the Group have meant that the majority of the resulting profit will now fall into the current financial year ended 31 March 2019. The amount in question is approximately £200,000 worth of net profit.

As a consequence the Board expects full year results to 31 March 2018 to show revenues in line with the prior year but profitability marginally behind. Definitive figures will be provided once the year end audit is completed.

The Board expect that the final results for the year ended 31 March 2018 will show a profitable year again at Operational level (MediaZest International Limited, the Group's subsidiary).

Outlook for the current year ended 31 March 2019

As a result of this likely deferment of expected income from the prior year, the first quarter of the year to 31 March 2019 is expected to benefit from an additional net profit of approximately £200,000. Furthermore, with visibility on other projects and growing recurring revenue streams, the Board expects considerable year on year improvement in the results for the 6 months to 30 September 2018.

The improvement in profitability in the current period at Group level has led to a consequent increase in cash in hand.

The ongoing improvement in results over recent months is due to a mixture of new client and new project wins, and is underpinned by the growth in recurring revenue streams that the Board has targeted as a strategic priority.

Run rate recurring contractual revenues are now in excess of £650,000 per annum compared with approximately half that amount at the same time in the previous year. This is driven by the Group's focus on prioritising permanent, fixed installation projects with ongoing support and content management contracts. Much of this growth was towards the end of the financial year so the financial benefits will have a greater impact in the current year.

Client projects and portfolio

Significant new clients in the year have included HP and The European Bank for Reconstruction and Development, and the Company continues to have great success in the automotive market with new Rockar projects for Mitsubishi and Ford.

Well established existing customers such as Ted Baker, Diesel, Clydesdale Bank, Kuoni, HMV, Halfords and others continue to work with the Group on an ongoing basis. It is the opinion of the Board and senior management that the audio visual and digital signage market for high street retailers is experiencing rapid growth and large scale adoption is beginning to happen. The Company remains well placed to take advantage of these opportunities.

The automotive sector has yielded several large opportunities which the Company is currently pursuing. In automotive retail, the Group is working with Hyundai, Jaguar Land Rover (with Rockar), VW, Ford and Mitsubishi (both via Rockar), Opel Germany, and is pitching to several other brands. Outside of the showroom retail side of automotive, the Group works with BMW and Fiat in the UK, providing corporate AV solutions.

Although the Board acknowledges that in the short term the automotive market faces challenges of its own, it believes that this is a retail sector in particular need of digital signage solutions to modernise its sales approach to customers. Furthermore, that the volume and scale of these operations will present substantial opportunity to the Group over the coming years, including overseas opportunities.

A general feature of recent growth has been the increase in overseas opportunities currently delivered by the Group and this includes work for Ted Baker, HP and Nokia in Europe and beyond. Over the next 2-3 years the Board expects further significant projects to emanate from outside of the UK as well as strategic growth opportunities. In many cases, UK companies or initiatives are being deployed across multi national retail estates and the Group's ability to provide consistent solutions across borders, and experience in doing so, is expected to give another competitive edge in the coming years.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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Notes to Editors:

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