

Unaudited Interim Results

MEDIAZEST PLC

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MediaZest Plc

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

Unaudited Interim Results for the six months ended 31 March 2022

MediaZest, the creative audio-visual company, announces its unaudited interim results for the six months ended 31 March 2022 (the "Period").

MediaZest's interim results are set out below, with comparisons to the same period in the previous year, as well as to MediaZest's audited results for the year ended 30 September 2021.

CHAIRMAN'S STATEMENT

Introduction

The Board presents the consolidated unaudited results for the six months ended 31 March 2022 for MediaZest plc and its wholly owned subsidiary company MediaZest International Ltd ("MDZI") (together the "Group").

Financial Review

- Revenue for the Period was £1,402,000, up 66% (2021: £846,000) due to covid-19 restrictions easing and client projects resuming.
- Gross profit was up by 84% accordingly to £756,000 (2021: £410,000).
- Gross margin rose to 54% (2021: 48%).
- Administrative expenses were £618,000, an increase of 35% (2021: £459,000), mainly due to the furlough scheme coming to an end and staff returning to the office following the easing of covid-19 related restrictions.
- EBITDA was a profit of £138,000 (2021: loss of £49,000).
- Net profit for the period after taxation was £40,000 (2021: loss of £160,000).
- The basic and fully diluted profit per share was 0.0029 pence (2021: loss per share 0.0115 pence).
- Cash and cash equivalents at 31 March 2022 was £46,000 (2021: £16,000).

Operational Review

The results for the Period show significant improvement from the prior year comparative period, with improving profitability at Group level and for the operating subsidiary MDZI, despite the first half traditionally being the slower half of the year for the business.

The second half of the year has begun well and the Board are confident of a significant year on year improvement in financial performance.

Both the prior period and full year comparatives reflect the impact of covid-19, and specifically the UK lockdowns, on client work. These interim results reflect the increased demand across the Company's three core sectors: Retail, Automotive and Corporate, that has been evident since Spring 2021.

Performance has been particularly pleasing despite challenges relating to the supply of stock and timing of deliveries coupled with rising input costs, which are being carefully monitored and managed by the Group.

Client Work in the Period

The Company's long-term client base remains consistent and continues to generate new projects. During the Period the Group provided digital signage solutions to another tranche of stores for long-standing client Pets at Home, and the roll out of interactive touchscreens to support the promotion of Electric Vehicles in Hyundai dealerships continued apace. MediaZest also continues to provide and expand its ongoing professional services in support of projects with these clients.

MediaZest also completed work on additional Lululemon Athletica stores as they continue to work with the Group across Europe. Other long-term clients such as Ted Baker, Halfords, Post Office and Samsung continued to utilise professional services provided by MediaZest, including software licences, content management, support and maintenance. As such, the Group continues to have good visibility over recurring revenue streams.

Engagements with new clients began including Britvic and Marubeni and the Group continued to develop its relationships with recently won clients such as Wincanton (logistics) and Vashi (jewellery), with new projects completed and additional opportunities under discussion.

The business development team has been supplemented and continues to identify and work on new client projects.

Outlook

The progress over the last 12 months and the outlook for the remainder of the financial year is encouraging. Long-term clients continue to look to expand the range and number of deployments with the Group, reflective of the high standard of delivery.

MediaZest continues to see new opportunities in Europe. The Board is in the process of establishing an office in mainland Europe (within the EU) to better facilitate project delivery and logistics following Brexit and to capitalise on these new opportunities.

Recurring revenue streams have been robust and the Company continues to target the development of these, as well as additional new client wins.

At a strategic level, the Board believes adding scale to the current operational business via acquisition would unlock shareholder value and the Group continues to evaluate potential targets in the market that may be suitable.

Whilst the three markets in which the Group primarily operates – Retail, Automotive and Corporate – are seeing strong demand at the current time, the Board remains mindful of macro-economic headwinds in the second half of 2022. As such the Group continues to monitor and control the cost base carefully, whilst balancing the growth of the business and continuing to seek additional clients and projects.

Lance O’Neill

Chairman

28 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2022

| | Unaudited 6 months 31-Mar-22 £'000 | Unaudited 6 months 31-Mar-21 £'000 | Audited 12 months 30-Sep-21 £'000 |
|--|---|---|--|
| Continuing Operations | | | |
| Revenue | 1,402 | 846 | 2,246 |
| Cost of sales | (646) | (436) | (1,171) |
| | ----- | ----- | ----- |
| Gross profit | 756 | 410 | 1,075 |
| Other operating income | - | - | - |
| Administrative expenses before depreciation and amortisation | (618) | (459) | (997) |
| | ----- | ----- | ----- |
| EBITDA | 138 | (49) | 78 |
| Administrative expenses – depreciation & amortisation | (32) | (38) | (74) |
| | ----- | ----- | ----- |

| | | | | |
|---|----------|---------|-----------|-----------|
| Operating Profit/(loss) | | 106 | (87) | 4 |
| Finance Costs | | (66) | (73) | (144) |
| | | ----- | ----- | ----- |
| Profit/(loss) before taxation | | 40 | (160) | (140) |
| Taxation | | - | - | - |
| | | ===== | ===== | ===== |
| Profit/(loss) for the period and total comprehensive loss/income for the period attributable to the owners of the parent | | 40 | (160) | (140) |
| | | ===== | ===== | ===== |
| Earnings/(Loss) per ordinary 0.01p (2021: 0.01p) share | | | | |
| Basic | 2 | 0.0029p | (0.0115)p | (0.0101)p |
| Diluted | 2 | 0.0029p | (0.0115)p | (0.0101)p |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

| | Unaudited 6 months ended 31-Mar-22 £'000 | Unaudited 6 months ended 31-Mar-21 £'000 | Audited 12 months ended 30-Sep-21 £'000 |
|-------------------------------|---|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 2,772 | 2,772 | 2,772 |
| Owned | 27 | 25 | 18 |
| Property, plant and equipment | | | |
| Right-of-use | 105 | 149 | 127 |
| Property, plant and equipment | | | |
| | ----- | ----- | ----- |
| | 2,904 | 2,946 | 2,917 |
| Current assets | | | |
| Inventories | 137 | 238 | 150 |

| | | | |
|-----------------------------|--------------|--------------|--------------|
| Trade and other receivables | 545 | 408 | 414 |
| Cash and cash equivalents | 46 | 16 | 120 |
| | ----- | ----- | ----- |
| | 728 | 662 | 684 |
| TOTAL ASSETS | 3,632 | 3,608 | 3,601 |
| | ===== | ===== | ===== |

EQUITY

Shareholders' Equity

| | | | |
|-------------------------|--------------|--------------|--------------|
| Called up share capital | 3,656 | 3,656 | 3,656 |
| Share premium | 5,244 | 5,244 | 5,244 |
| Share option reserve | 146 | 146 | 146 |
| Retained earnings | (7,777) | (7,837) | (7,817) |
| | ----- | ----- | ----- |
| TOTAL EQUITY | 1,269 | 1,209 | 1,229 |
| | ===== | ===== | ===== |

LIABILITIES

Non-current liabilities

Financial liabilities –
borrowings:

| | | | |
|---|-------|-------|-------|
| Interest bearing loans and liabilities | 175 | 136 | 164 |
| Lease liabilities | 80 | 182 | 108 |
| | ----- | ----- | ----- |
| | 255 | 318 | 272 |

Current liabilities

| | | | |
|---|-----|-------|-------|
| Trade and other payables | 983 | 1,175 | 1,114 |
| Financial liabilities – borrowings: | | | |
| Invoice discounting facility | 253 | 131 | 192 |
| Interest bearing loans and liabilities | 816 | 720 | 738 |

| | | | |
|-------------------------------------|--------------|--------------|--------------|
| Lease liabilities | 56 | 55 | 56 |
| | ----- | ----- | ----- |
| | 2,108 | 2,081 | 2,100 |
| TOTAL LIABILITIES | 2,363 | 2,399 | 2,372 |
| | ===== | ===== | ===== |
| TOTAL EQUITY AND LIABILITIES | 3,632 | 3,608 | 3,601 |
| | ===== | ===== | ===== |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2022**

| | Share Capital £'000 | Share Premium £'000 | Share Options Reserves £'000 | Retained Earnings £'000 | Total Equity £'000 |
|---|---------------------------|---------------------------|---------------------------------------|-------------------------------|--------------------------|
| Balance at 30 September 2020 | 3,656 | 5,244 | 146 | (7,677) | 1,369 |
| Loss for the period | - | - | - | (160) | (160) |
| | ----- | ----- | ----- | ----- | ----- |
| | - | - | - | (160) | (160) |
| Total comprehensive loss for the period | - | - | - | (160) | (160) |
| | ===== | ===== | ===== | ===== | ===== |
| Balance at 31 March 2021 | 3,656 | 5,244 | 146 | (7,837) | 1,209 |
| | ===== | ===== | ===== | ===== | ===== |
| Profit for the period | - | - | - | 20 | 20 |
| | ----- | ----- | ----- | ----- | ----- |
| | - | - | - | 20 | 20 |
| Total comprehensive profit for the period | - | - | - | 20 | 20 |

| | | | | | |
|---|--------------|--------------|------------|----------------|--------------|
| Balance at 30 September 2021 | 3,656 | 5,244 | 146 | (7,817) | 1,229 |
| Profit for the period | - | - | - | 40 | 40 |
| Total comprehensive profit for the period | - | - | - | 40 | 40 |
| Balance at 31 March 2022 | 3,656 | 5,244 | 146 | (7,777) | 1,269 |

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2022**

| | Note | Re-stated | | |
|---|------|---|---|--|
| | | Unaudited 6 months 31-Mar-22 £'000 | Unaudited 6 months 31-Mar-21 £'000 | Audited 12 months 30-Sep-21 £'000 |
| Cash flows from operating activities | | | | |
| Cash generated (absorbed by)/from operating activities | 3 | (129) | 94 | 246 |
| Taxation | | - | - | - |
| Net cash generated (absorbed by)/from operating activities | | (129) | 94 | 246 |
| Cash flows used in investing activities | | | | |
| Purchase of plant and machinery | | (5) | (2) | (8) |
| Purchase of leasehold improvements | | (14) | - | - |

| | | | | |
|---|---|-------|-------|-------|
| | | ----- | ----- | ----- |
| Net cash used in investing activities | | (19) | (2) | (8) |
| Cash flow from financing activities | | | | |
| Other loans repayments | | (5) | (5) | (10) |
| Shareholder loan receipts | | 145 | - | - |
| Shareholder loan repayments | | (80) | - | (30) |
| Bounce back loan repayments | | (5) | - | (3) |
| Invoice financing (repayments)/receipts | 4 | 61 | (114) | (53) |
| Lease liability payments | | (23) | (20) | (42) |
| Interest paid | | (19) | (28) | (71) |
| | | ----- | ----- | ----- |
| Net cash generated from/(used in) financing activities | | 74 | (167) | (209) |
| | | ----- | ----- | ----- |
| (Decrease)/increase in cash and cash equivalents | | (74) | (75) | 29 |
| | | ----- | ----- | ----- |
| Cash and cash equivalents at beginning of period | | 120 | 91 | 91 |
| | | ===== | ===== | ===== |
| Cash and cash equivalents at end of period | 4 | 46 | 16 | 120 |
| | | ===== | ===== | ===== |

NOTES TO THE FINANCIAL INFORMATION

1. Basis of Preparation

The Group's annual financial statements are prepared in accordance with UK adopted International Accounting Standards and, accordingly, the consolidated six-month financial information in this report has been prepared on the same basis. The financial statements have been prepared under the historical cost convention.

The International Accounting Standards are subject to amendment and interpretation by the International Accounting Standards Board (IASB). The financial information has been prepared on the basis of international accounting standards expected to be applicable as at 30 September 2022.

This interim report does not comply with IAS 34 “Interim Financial Reporting” as permissible under the AIM Rules for Companies.

Going Concern

The Directors have considered financial projections based upon known future invoicing, existing contracts, pipeline of new business and the number of opportunities it is currently working on.

In addition, these forecasts have been considered in the light of the ongoing challenges in the global economy as a result of the covid-19 pandemic, war in Ukraine, consequences of the UK Brexit agreement, cost of living increases, and previous experience of the markets in which the Group operates and the seasonal nature of those markets.

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

As a result, the Directors consider that it is appropriate to draw up the financial information on a going concern basis.

Accordingly, no adjustments have been made to reflect any write downs or provisions that would be necessary should the Group prove not to be a going concern, including further provisions for impairment to goodwill and investments in Group companies.

Non-statutory accounts

The financial information contained in this document does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (“the Act”).

The statutory accounts for the year ended 30 September 2021 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

The financial information for the six months to 31 March 2022 has not been audited.

2. Earnings per share

Basic earnings per share for the Period is calculated by dividing the profit attributed to ordinary shareholders of £40,000 (2021: loss of £160,000) by the weighted average number of shares during the period of 1,396,425,774 (2021: 1,396,425,774). The Basic and diluted loss per share for the Audited year ended 30 September 2021 was 0.0101p, calculated by

dividing the loss after tax attributed to ordinary shareholders of £140,000 by the weighted average number of shares during the year of 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 generated from operations

| | Unaudited | Unaudited | Audited |
|---|------------------|------------------|------------------|
| | 6 months | 6 months | 12 months |
| | 31-Mar-22 | 31-Mar-21 | 30-Sep-21 |
| | | £'000 | £'000 |
| Profit/(Loss) after tax | 40 | (160) | (140) |
| Taxation | - | - | - |
| Depreciation/amortisation charge | 32 | 38 | 74 |
| Finance Costs | 18 | 26 | 54 |
| Increase/(decrease) in inventories | (13) | (145) | (57) |
| (Increase)/decrease in payables | (62) | 252 | 236 |
| (Increase)/decrease in receivables | (144) | 83 | 79 |
| | ===== | ===== | ===== |
| Net cash generated from/(absorbed by) operating activities | (129) | 94 | 246 |
| | ===== | ===== | ===== |

4. Cash and cash equivalents

| | Re-stated | | |
|--------------|------------------|------------------|------------------|
| | Unaudited | Unaudited | Audited |
| | 6 months | 6 months | 12 months |
| | 31-Mar-22 | 31-Mar-21 | 30-Sep-21 |
| | £'000 | £'000 | £'000 |
| Cash in hand | 46 | 16 | 120 |
| | ===== | ===== | ===== |
| | 46 | 16 | 120 |
| | ===== | ===== | ===== |

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. For the comparative Unaudited six months ended 31 March 2021, cash and cash equivalents were (£115,000), and as a result of this reclassification it is £16,000. The invoice discounting facility at the end of the comparative six month period has now been included within the Invoice financing (repayments)/receipts line of the cash flow statement, which was previously £nil and as a result of this reclassification is £114,000.

5. Subsequent events

Subsequent to 31 March 2022, the Group has continued to see new projects coming through the pipeline. As such, the Board is confident the year ending 30 September 2022 will see a year on year improvement in the Group's financial performance.

6. Distribution of the interim report

Copies of the interim report will be available to the public from the Company's website, www.mediazest.com, and from the Company Secretary at the Company's registered address at Unit 9, Woking Business Park, Albert Drive, Woking, Surrey, GU21 5JY.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Enquiries:

| | |
|--|---------------|
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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