28 June 2021

MediaZest Plc

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

Unaudited Interim Results for the six months ended 31 March 2021

MediaZest, the creative audio-visual company, announces its unaudited interim results for the six months ended 31 March 2021 (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 18 month period ended 30 September 2020.

CHAIRMAN'S STATEMENT

Introduction

The Board presents the consolidated unaudited results for the six months ended 31 March 2021 for MediaZest plc and its wholly owned subsidiary company MediaZest International Ltd (together the "Group").

Financial Review

- Revenue for the Period was £846,000, down 42% (2020: £1,454,000) due to the impact of Covid-19.
- Gross profit was down 38% accordingly to £410,000 (2020: £656,000).
- Gross margin rose to 48% (2020: 45%).
- Administrative expenses were £459,000, a reduction of 31% (2020: £667,000).
- EBITDA was a loss of £49,000 (2020: £11,000).
- Net loss for the period after taxation was £160,000 (2020: £43,000).
- The basic and fully diluted loss per share was 0.0115 pence (2020: loss per share 0.0031 pence).
- Cash in hand at 31 March 2021 was £16,000 (2020: £16,000).

Operational Review

As highlighted in the Financial Review above, the unaudited financial results for the six months to 31 March 2021 were adversely affected by nationwide UK "lockdowns" in response to the ongoing Covid-19 pandemic (the "Pandemic"), by way of comparison with the prior period.

However, since the end of the Period, business has improved significantly and the Group is extremely busy pitching and delivering projects for a wide range of both existing and new clients.

During December 2020 and January 2021 many clients ceased on-site installation work, with projects only beginning to recommence from early February 2021 onwards. This had a negative impact on financial results, particularly in January and February of 2021, the latter also impacted by the timing of revenue recognition under IFRS 15.

As noted in recent announcements, since the beginning of the calendar year the Group has seen a significant increase in new opportunities and in committed projects. The timing of these projects themselves and recognition of the resultant revenue to the Group (in accordance with accounting standards), has resulted in the benefit of these new business wins being recognised in the second half of the financial year rather than during the Period.

In light of the Pandemic, the Group continued to work hard to keep costs low during the 6 months and utilised the Government Job Retention Scheme appropriately during the Period.

Additional financing was not required and in the post balance sheet period the Group has been able to repay some shareholder debt using free cashflow from trading.

Client Work in the Period

The Group continued to work with long term clients such as Lululemon Athletica, Pets at Home, Ted Baker, and Hyundai during the Period, with new project installations as well as ongoing service and maintenance contractual work.

New store installations for Dermologica, Samsung and a number of digital kiosk projects did also go ahead at the beginning of these 6 months, and again towards the end of the Period as lockdown measures eased once more.

A number of new clients were added during the Period with smaller initial projects but the potential to grow into more significant engagements in the future.

Significant wins being delivered Post Period included the Vashi Covent Garden project, announced recently on 18 June and forthcoming new projects with Hyundai and Samsung.

Gross margins continued to hold up well reflecting the strong balance towards the Group's high-quality managed service offering.

Outlook

It remains difficult to assess the extent to which the Pandemic will affect the Group's forthcoming trading and financial performance as the situation continues to evolve rapidly with the final stage of 'unlocking', which was scheduled for 21 June, being deferred to 19 July in the light of recent data.

However, the number of new projects currently underway or already completed in the second half of the year has been encouraging and the Board is looking for the Group to deliver a much improved second half of Financial Year 21.

Recurring revenue streams have been robust throughout the last 18 months and contracts continue to extend and grow in many cases. Developing these contracts and growing opportunities that focus on this type of business has been a priority in recent years and continues to show success and generate long term value in the Group.

Performance of the Group over the second six months and into the next financial year looks encouraging, subject to the uncertainty within which many businesses are currently operating.

The Board continues to work on the assumption that the disruption caused by the Pandemic will have an impact throughout 2021 and continues to plan accordingly, searching for new revenue streams whilst managing costs tightly.

Lance O'Neill
Chairman
28 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Notes	Unaudited 6 months 31-Mar-21 £'000	Unaudited 6 months 31-Mar-20 £'000	Audited 18 months 30-Sep-20 £'000
Continuing Operations				
Revenue		846	1,454	3,068
Cost of sales		(436)	(798)	(1,544)
		------------	------------	------------
Gross profit		410	656	1,524
Other operating income		-	-	25
Administrative expenses before depreciation and amortisation		(459)	(667)	(1,735)
		------------	------------	------------
EBITDA		(49)	(11)	(186)
Administrative expenses – depreciation & amortisation		(38)	(41)	(124)
		------------	------------	------------
Operating (Loss)/Profit		(87)	(52)	(310)
Finance Costs		(73)	(31)	(168)
		------------	------------	------------
(Loss)/Profit before taxation		(160)	(83)	(478)
Taxation		-	40	30
		========	========	========
(Loss)/Profit for the period and total comprehensive loss/income for the period attributable to the owners of the parent		(160)	(43)	(448)
		========	========	========
Earnings/(Loss) per ordinary 0.01p (2020: 0.01p) share				
Basic	**2**	(0.0115)p	(0.0031)p	(0.0324)p
Diluted	**2**	(0.0115)p	(0.0031)p	(0.0324)p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Unaudited As at 31-Mar-21 £'000	Unaudited As at 31-Mar-20 £'000	Audited As at 30-Sep-20 £'000
ASSETS			
Non-current assets			
Goodwill	2,772	2,772	2,772
Owned			
Property, plant and equipment	25	54	39
Right-of-use			
Property, plant and equipment	149	157	171
	2,946	2,983	2,982
Current assets			
Inventories	238	116	93
Trade and other receivables	408	548	493
Cash and cash equivalents	16	16	91
	662	680	677
TOTAL ASSETS	**3,608**	**3,663**	**3,659**
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	(7,837)	(7,500)	(7,677)
TOTAL EQUITY	**1,209**	**1,546**	**1,369**
LIABILITIES			
Non-current liabilities			
Financial liabilities – borrowings:			
Interest bearing lease liabilities	136	118	157
Other interest bearing loans and borrowings	182	-	176
	318	118	333
Current liabilities			
Trade and other payables	1,175	1,252	968
Financial liabilities – borrowings:			
Invoice discounting facility	131	183	245
Interest bearing lease liabilities	55	54	59
Other interest bearing loans and borrowings	720	510	685
	2,081	1,999	1,957
TOTAL LIABILITIES	**2,399**	**2,117**	**2,290**
TOTAL EQUITY AND LIABILITIES	**3,608**	**3,663**	**3,659**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Share Capital £'000	Share Premium £'000	Share Options Reserves £'000	Retained Earnings £'000	**Total Equity £'000**
Balance at 31 March 2019	3,656	5,244	146	(7,227)	**1,819**
Impact of IFRS 16 implementation	-	-	-	(2)	**(2)**
Balance at 1 April 2019 restated	3,656	5,244	146	(7,229)	**1,817**
Loss for the year	-	-	-	(271)	**(271)**
Total comprehensive loss for the year	-	-	-	(271)	**(271)**
Balance at 31 March 2020	**3,656**	**5,244**	**146**	**(7,500)**	**1,546**
Loss for the period	-	-	-	(177)	**(177)**
Total comprehensive loss for the period	-	-	-	(177)	**(177)**
Balance at 30 September 2020	**3,656**	**5,244**	**146**	**(7,677)**	**1,369**
Loss for the period	-	-	-	(160)	**(160)**
Total comprehensive loss for the period	-	-	-	(160)	**(160)**
Balance at 31 March 2021	**3,656**	**5,244**	**146**	**(7,837)**	**1,209**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Note	Unaudited 6 months 31-Mar-21	Unaudited 6 months 31-Mar-20 £'000	Audited 18 months 30-Sep-20 £'000
Net cash generated from operating activities	**3**	94	(14)	(73)
Taxation		-	40	30
Net cash generated from operating activities		94	26	(43)
Cash flows used in investing activities				
Purchase of plant and machinery		(2)	8	(29)
Net cash used in investing activities		(2)	8	(29)
Cash flow from financing activities				
Other loans		(5)	19	(16)
Bounce back loan		-	-	50
Lease liability payments		(20)	(46)	(47)
Shareholder loan receipts		-	218	718
Shareholder loan repayments		-	(219)	(515)
Interest paid		(28)	(28)	(93)
Net cash (used in)/ generated from financing activities		(53)	(56)	97
Net increase in cash and cash equivalents		39	(22)	25
Cash and cash equivalents at beginning of year		(154)	(145)	(179)
Cash and cash equivalents at end of year	**4**	(115)	(167)	(154)

NOTES TO THE FINANCIAL INFORMATION

1. Basis of Preparation

The Group's annual financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Accordingly, the consolidated six-month financial information in this report has been prepared using accounting policies consistent with international accounting standards. 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 2021.

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, previous experience of the markets in which the Group operates and the seasonal nature of those markets, as well as the likely ongoing impact of the Covid-19 pandemic. 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 18 months ended 30 September 2020 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified, did include a reference to which the auditor drew attention by way of emphasis without qualifying their report in respect of going concern 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 2021 has not been audited.

2. Earnings per share

Basic earnings per share is calculated by dividing the loss attributed to ordinary shareholders of £160,000 (2020: £43,000) by the weighted average number of shares during the period of 1,396,425,774 (2020: 1,396,425,774). The diluted earnings per share is identical to that used for basic earnings per share as the warrants or share options are anti-dilutive.

3. Cash generated from operations

	Unaudited 6 months 31-Mar-21	Unaudited 6 months 31-Mar-20 £'000	Audited 18 months 30-Sep-20 £'000
Loss after tax	(160)	(50)	(478)
Taxation	-	-	30
Depreciation/amortisation charge	38	41	125
Finance Costs	26	38	73
Increase in inventories	(145)	(18)	(24)
Increase in payables	252	169	242
Decrease/(increase) in receivables	83	(194)	(41)
	========	========	========
Net cash generated from/(absorbed by) operating activities	94	(14)	(73)
	========	========	========

4. Cash and cash equivalents

	Unaudited 6 months 31-Mar-21 £'000	Unaudited 6 months 31-Mar-20 £'000	Audited 18 months 30-Sep-20 £'000
Cash held at bank	16	16	91
Invoice discounting facility	(131)	(183)	(245)
	========	========	========
	(115)	(167)	(154)
	========	========	========

5. Subsequent events

Subsequent to 31 March 2021, the Government's "roadmap" out of "lockdown" has seen the re-opening of many of the Group's clients' stores, especially in the retail sector, and an upswing in new projects coming through the pipeline, with the expectation that the second half of the financial year ending 30 September 2021 will show significant improvement.

The repayment of the Group's Bounce Back Loan of £50,000 under the Government's scheme, is due to commence from June 2021 at £887 per month. Interest on the £150,000 Convertible Loan Note instrument, secured in August 2020 to provide additional working capital for the Group, is being paid quarterly at an annual rate of 7%.

In the post balance sheet period the Group has been able to repay some shareholder debt using free cashflow from trading.

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.

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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