

# QUIZ

**QUIZ plc**  
 (“QUIZ” or the “Group”)

## **Interim Results** **for the six months ended 30 September 2021**

*Increased demand for the QUIZ brand contributes to revenue growth, a return to EBITDA profitability and stronger operating cash inflows*

QUIZ, the omni-channel fast fashion brand, announces its unaudited interim results for the six months ended 30 September 2021 (“HI 2021” or the “Period”).

### **Financial highlights:**

	<b>Six months to 30 September 2021 (unaudited)</b>	<b>Six months to 30 September 2020 (unaudited)</b>
Group revenue	£36.0m	£17.2m
EBITDA	£0.7m	£12.9m
Underlying <sup>1</sup> EBITDA	£0.7m	(£3.3m)
(Loss)/profit before tax	(£1.3m)	£10.6m
Underlying <sup>1</sup> loss before tax	(£1.3m)	(£5.6m)
Basic (loss)/earnings per share	(1.18p)	9.62p
Underlying loss per share <sup>1</sup>	(1.18p)	(3.45p)

A reconciliation between underlying and reported results is provided at the end of the Financial Review.

- Group revenue increased 109% period on period further to the removal of social restrictions increasing demand for occasion and dressy products and a period on period reduction in the amount of time stores and concessions were closed
- Higher level of full price sales and reduced discounting resulted in the gross margin increasing to 57.5% from 51.7% in HI 2021
- The rise in operating costs, being distribution and administrative costs, was restricted to 22% as the increased revenues leveraged off the existing infrastructure
- Underlying EBITDA profit of £0.7 million (HI 2021: loss of £3.3 million)
- Operating cash flows of £3.4 million (HI 2021: £0.4 million)
- Total liquidity headroom at 30 September 2021 of £6.6 million, being cash net of borrowings of £4.2 million and £2.2 million of unutilised bank facilities (31 March 2021: £2.4 million, being cash net of borrowings of £1.5 million and £0.9 million of unutilised bank facilities)

### **Operational highlights:**

- Strong online growth with a 43% increase in sales through QUIZ's own website and a 27% uplift in total online sales
- Active customers increase 30% on the prior financial year in line with demand for QUIZ's core occasion wear offering
- Benefit of store restructuring undertaken in the previous year reflected in positive contribution from stores in the Period
- Group's store estate comprised 61 stores in the United Kingdom and five in the Republic of Ireland at the end of the Period, with two more opening in the United Kingdom subsequently
- Recovery in International revenues with a 160% increase period on period

### **Outlook and current trading:**

- Revenues in the two months to 30 November 2021 up 108% on the prior year and consistent with levels generated prior to the COVID-19 disruption on like-for-like basis
- Potential for sales in key trading month of December to be impacted if concerns over the Omicron variant suppress demand
- Total liquidity headroom at 7 December 2021 of £7.1 million, being cash net of borrowings of £4.6 million and £2.5 million of undrawn banking facilities
- Confident Group can return to profitability in a trading environment not significantly impacted by COVID-19 restrictions and deliver long-term sustainable and profitable growth

### **Tarak Ramzan, Founder and Chief Executive Officer, commented:**

*“QUIZ has delivered an encouraging set of results during the period with strong cash flows generated and a return to positive EBITDA. The removal of the social restrictions resulted in a substantial uplift in revenues in the Period, as customer demand for the brand's dressy and occasion wear returned.*

*“The positive steps taken over the last 18 months with regards to restructuring our business, tight cost control and inventory management have all proved beneficial.*

*“Whilst there continues to be uncertainty in the short-term we remain confident in the strength of our brand and are highly confident that the clear demand for QUIZ's trademark occasion-wear will support continued profitable growth.”*

### **Investor Presentation – Investor Meet Company:**

The Group will provide a live Interim results presentation via the Investor Meet Company platform on 8 December 2021 at 9.30am GMT. Investors can sign up to Investor Meet Company for free and add to meet QUIZ plc via: <https://www.investormeetcompany/quiz-plc/register-investor>

#### Notes

1. Underlying EBITDA, Profit Before Tax and EPS: excludes the non-recurring £16.2m gain arising on the administration of a subsidiary undertaking in the prior year. A reconciliation to reported (IFRS) results is included in the financial review below.
2. International sales comprise revenues from QUIZ standalone stores and concessions in the Republic of Ireland and franchises in 20 countries.
3. Financial information in the front of this report has been rounded to the nearest decimal place. Totals in the tables may not equal the arithmetic sum of presented numbers. Percentages are calculated on non-rounded numbers and may not conform to the percentage derived from the rounded components.

## Enquiries:

### **QUIZ plc**

Tarak Ramzan, Chief Executive Officer  
Gerry Sweeney, Chief Financial Officer  
Sheraz Ramzan, Chief Commercial Officer

**Via Hudson Sandler**

### **Panmure Gordon (Nominated Adviser and Sole Broker)**

Alina Vaskina (Corporate Finance)  
Erik Anderson (Corporate Broking)

**+44 (0) 207 886 2500**

### **Hudson Sandler LLP (Public Relations)**

Alex Brennan / Lucy Wollam

**+44 (0) 207 796 4133**

[quiz@hudsonsandler.com](mailto:quiz@hudsonsandler.com)

## Notes:

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

## About QUIZ

QUIZ is an omni-channel fashion brand, specialising in occasion wear and dressy casual wear. QUIZ delivers a distinct proposition that empowers fashion forward customers to stand out from the crowd.

QUIZ's buying and design teams constantly develop its own product lines, ensuring the latest glamorous looks at value prices. This flexible supply chain, together with the winning formula of style, quality, value and speed-to-market has enabled QUIZ to grow into an international brand with stores, concessions, franchise stores, wholesale partners and international online partners.

QUIZ operates through an omni-channel business model, which encompasses online sales, standalone stores, concessions, international franchises and wholesale arrangements.

To download images please visit: <http://www.quizgroup.co.uk/media-download-centre/>

For further information:

<https://www.quizclothing.co.uk/>

<http://www.quizgroup.co.uk/>

## CHIEF EXECUTIVE'S REPORT

We are pleased to report our Interim Results for the six months to 30 September 2021 (the "Period") which show a substantial uplift in revenues further to the removal of COVID-19 related lockdowns and social restrictions. Due to the actions taken by the Group over the last 18 months with regards to restructuring our business and maintaining tight cost control and inventory management, we are well placed to benefit from the continued recovery in customer demand.

Our restructured business places greater emphasis on our own website and stores with less dependence on the traditionally less profitable revenues generated through third parties. Our own website has previously generated higher returns than sales through third parties. In addition, further to the restructuring of our store portfolio undertaken in the previous year, we are confident that our store estate will generate a positive financial contribution going forward, providing no severe social or trading restrictions are reintroduced.

Our trademark occasion and dressy wear for social events and activities has always been at the centre of the QUIZ brand. QUIZ has traditionally provided options for a variety of social occasions such as attending lunch with friends, a day at the races, a Christmas party or a wedding. The return of these and other activities in the period had a notable positive impact on demand.

Revenues in the Period increased by 109% to £36.0 million (H1 2021: £17.2 million) with strong growth recorded across each channel. The lifting of social restrictions resulted in sales progressively improving and by the end of the Period, they had returned to the levels achieved prior to the disruption arising from COVID-19 on a like-for like basis.

As demand increased and revenues improved, the level of discounting reduced and a higher proportion of sales were made at full price. This is reflected in the 580bps improvement in the gross margin generated compared to the same period in the previous year. Gross margins at the end of the Period were consistent with the levels achieved in 2019.

During the Period, the business returned to generating positive operating cash flows with EBITDA of £0.7 million and a £2.7 million improvement in the net cash position to £4.2 million. This was an important development in our return to profitability which we are confident of achieving in a trading environment which is not significantly impacted by COVID-19 restrictions.

The core revenue streams for the business are derived from its website and standalone stores. The increased demand for occasion wear and dresses through the Period was a significant contributor to the improvement in revenues. Sales through the QUIZ website have returned to similar levels achieved in 2019 and the business is focussed on developing its online potential going forward. The new lease arrangements entered into last year for QUIZ's stores have contributed to delivering a positive financial contribution from our standalone stores in the Period.

The generation of revenues through third parties remains important in providing exposure for the QUIZ brand. During the Period, the final Debenhams concessions ceased trading. The closures of the Group's Debenhams concessions significantly reduced the amount of revenue generated through concessions in the UK. In addition, the level of sales through third party websites reduced as the business concentrated on the development of sales through its own website.

We are increasingly optimistic as to the future prospects of QUIZ. The half year results and autumn trading have demonstrated there is a strong underlying demand for the brand and we are confident that the business will benefit from a return to normal levels of social occasions, such as weddings, going forward.

## RESULTS OVERVIEW

Throughout this report, “underlying” results exclude the one-off impact in the prior year period which arose further to the administration of one of the Group’s subsidiaries and the subsequent purchase of its trade and certain assets. These non-recurring transactions resulted in £16.2 million of gains being recognised in the income statement for HI 2021 (FY 2021: £15.6 million).

A reconciliation between underlying and reported results is provided at the end of the Financial Review.

Group revenue increased 109% to £36.0 million in the period (HI 2021: £17.2 million). Revenues recovered across each channel as follows:

	Six months to 30 September 2021	Six months to 30 September 2020	Year-on- year change	Share of revenue HI 2022	Share of revenue HI 2021
UK stores and concessions	£16.6m	£4.7m	+252%	46%	27%
Online	£12.5m	£9.9m	+27%	35%	57%
International	£6.9m	£2.6m	+160%	19%	16%
<b>Total</b>	<b>£36.0m</b>	<b>£17.2m</b>	<b>+109%</b>		

Underlying operating losses of £1.3 million were incurred (HI 2021: £5.5 million). Including the non-recurring transactions, a loss before financing and taxation of £1.3 million was absorbed (HI 2021: profit of £10.6 million).

Underlying EBITDA increased to a profit of £0.7 million (HI 2021: losses of £3.3 million) which represented an EBITDA margin of 1.8% (HI 2021: negative margin of 19.2%). EBITDA after reflecting the non-recurring transactions was £0.7m (HI 2021: £12.9 million).

Underlying loss before tax was £1.3 million (HI 2021: loss of £5.6 million). The reported loss before tax amounted to £1.3 million (HI 2021: profit of £10.6 million).

Underlying loss per share was 1.18 pence (HI 2021: loss per share of 3.45 pence). The loss per share incurred was 1.18 pence (HI 2021: earnings per share of 9.62 pence).

Cash net of bank borrowings at the period end was £4.2 million (HI 2021: £5.5 million) which represents a £2.7 million improvement since 31 March 2021. Net cash generated from operations was £3.4 million (HI 2021: £0.4 million). Capital expenditure in HI 2022 amounted to £0.3 million (HI 2021: £1.6 million).

## **OPERATIONAL REVIEW**

As we emerge from the shock of COVID-19 pandemic, the Group's long-term strategy remains to develop the QUIZ brand through its omni-channel distribution model and to adapt and improve to ensure the brand continues to succeed. Central to this strategy is the QUIZ brand, which is a distinctive fashion brand that empowers fashion-forward females to stand out from the crowd. The Group has a particular focus on capturing the significant online opportunities available to QUIZ, supported by maintaining a profitable store and concession portfolio.

### **Optimising the omni-channel model**

QUIZ continues to believe in the benefits of operating an omni-channel model that provides customers the opportunity to engage with the brand across different channels. Capturing QUIZ's sales growth potential online remains a key priority for the Group.

QUIZ's online channel provides the potential for significant long-term growth. The business has benefited from the return to social activities and the corresponding increase in customer demand for occasion wear has increased the profitability of online sales in the Period. Sales volumes through the QUIZ website improved steadily during the period and have, in recent weeks, generated revenues consistent with the comparable periods in 2019.

Third-party websites continue to provide the QUIZ brand with important exposure to customers but the emphasis remains on developing sales through our own website which accounted for 70% of online sales (H1 2021: 59%).

During the Period the Group operated 61 stores in the United Kingdom and five in the Republic of Ireland, one of which opened in the Period. We are pleased with the performance of these stores as they have benefited from revenues progressively returning to their pre-pandemic levels on a like-for-like basis as well as the reduced rental charges compared to prior to the store portfolio restructuring undertaken in the prior year.

The Group will look to open further stores where it can secure lease arrangements similar to its existing arrangements, with rentals charged linked to revenues generated and an average lease length of 24 months. Since the Period end, two new stores have opened in Telford and Craigavon.

During the Period, the closure of Debenhams and Outfit stores reduced the Group's exposure to United Kingdom department stores. The number of concessions operated reduced from 119 at 31 March 2021 to 72 at 30 September 2021. The majority of the remaining concessions are operated in New Look stores and allow for flexible arrangements for increasing the number of concessions operated given these are not staffed by QUIZ personnel and there is limited capital outlay required.

International revenues increased 160% in the period to £6.9 million (H1 2021: £2.6 million) as demand increased consistent with the United Kingdom as restrictions on trading and social activities were relaxed.

### **Managing gross margin**

Gross margins in the period have progressively improved and in recent months have been consistent with the levels generated prior to the pandemic.

During the period we encountered increased cost pressures in relation to product costs and the costs associated with their shipment. To date these additional costs have been absorbed by the business and we will look to minimise any price increases that may be necessary to maintain our gross margin.

In addition, the widely reported industry-wide issues with regard to global freight disruption and increased costs have affected, and continue to affect the Group. Going forward we will look to minimise the impact of increased costs on customers and have adjusted delivery schedules to ensure that product is available when required.

Progress has been made in disposing of excess stock from previous lockdown periods and this contributed to the £1.4 million reduction in stock levels since March 2021. Given the progress made in reducing these stocks there has been no significant change to our stock provision for slow moving stock.

### **Right-sizing our cost base**

We continue to carefully manage costs and will look to leverage off the existing infrastructure as revenues grow. We were pleased that the increase in operating costs was restricted to 22% substantially below the 109% increase in revenues.

We will continue to review our cost base to ensure it is appropriate for the revenues that will be generated going forward.

### **Targeted marketing investment supporting a strong brand**

We firmly believe that the QUIZ brand has a clear, differentiated position in the market with a specialisation in occasion wear and dressy casual wear for women, and the brand continues to resonate with a broad age range of customers. This belief is supported by the increased demand for our products since restrictions on social events have been eased.

Underpinning the growth and expansion of the QUIZ brand is the Group's approach to targeted and returns-driven marketing investment. As social restrictions eased, we increased our marketing investment and have utilised a pipeline of celebrity and influencer activity across the autumn / winter 2021 party season. We were pleased to see our activity and voice through social media increase significantly again as a result of the new campaigns. This continues to be supplemented with digital marketing and offline activity to push the QUIZ brand to the forefront of our customers' minds. Marketing investment as a proportion of Group sales remained broadly in line with the prior year at 3.5% (H1 2021: 3.6%).

We have seen a sharp recovery in the number of online active customers to 420,000 active customers, an uplift of 30% on the numbers recorded in the prior financial year.

During the period, the brand has strengthened its social media engagement relative to the prior year, with 2% and 4% increases in our Instagram and Facebook audiences respectively.

### **SUPPLY CHAIN**

We continue to prioritise our responsibilities to source clothes in a responsible and ethical way. The Group has an ongoing programme to ensure that all our products are supplied in line with our Ethical Code of Practice. We continue to visit our suppliers regularly and have processes in place to allow for clear visibility across our supply chain. We remain committed to ensuring our systems and processes are fit for purpose and assure compliance in this area.

### **CASH POSITION**

Despite the challenging trading conditions, the Group increased its cash balance net of borrowings by £2.7 million to £4.2 million (31 March 2021: £1.5 million) at the Period end. Total liquidity headroom at the Period end amounted to £6.6 million, being £4.2 million of cash net of borrowings and £2.2 million of undrawn bank facilities (31 March 2021: £2.4 million, being £1.5 million of cash net of borrowings and £0.9 million of undrawn bank facilities).

The Group retains £3.5 million of bank and credit facilities available to it from HSBC which expire in September 2022. There are no financial covenants applicable to these facilities.

As at 7 December 2021, the Group had total liquidity headroom of £7.1 million, being a cash balance net of borrowings of £4.6 million and £2.5 million of undrawn facilities.

## OUTLOOK AND CURRENT TRADING

Since the period end we have continued to experience good sales momentum across all channels with sales at comparable levels to 2019 on a like-for-like basis. We continue to be encouraged by the demand from customers in the absence of social restrictions and lockdowns. The revenues generated in the two months to 30 November 2021 are summarised below:

	I October to 30 November 2021	I October to 30 November 2020	Year-on-year change
UK stores and concessions	£7.3m	£2.6m	+186%
Online	£6.8m	£3.8m	+77%
International	£2.1m	£1.4m	+50%
<b>Total</b>	<b>£16.2m</b>	<b>£7.8m</b>	<b>+108%</b>

The recent developments regarding the Omicron variant of COVID-19 are a concern and the potential for Christmas and other social events to be disrupted or cancelled would be expected to negatively impact short term demand.

The Board remains confident in the strength of the QUIZ brand and the Group's omni-channel business model and, underpinned by these attributes, believes the Group can return to long-term, sustainable and profitable growth.

## FINANCIAL REVIEW

### Gross margin

The increased demand experienced since restrictions on social activities have been relaxed has resulted in more full price sales and a decline in discounting relative to the prior period when margins were impacted by the enforced lockdowns and requirement to clear excess stocks. Due to these factors, the gross margin in the period increased to 57.5% (HI 2021: 51.7%).

### Operating costs

Consistent with the higher revenues generated there have been increases in operating costs, namely administrative and distribution costs.

Operating costs increased 22% with costs of £23.0 million compared to £18.8 million in HI 2021. Further to this, operating costs amounted to 64% of the revenues generated (HI 2021: 109%) and the business is focussed on reducing this percentage further.

The operating costs do not reflect the benefit of the government grants received in the period of £1.0 million (HI 2021: £4.3 million) which are separately identified in the income statement. Much of these

government grants helped supplement employee costs which are included in operating costs. If this income was offset against operating costs, the increase in net operating costs would have been 52%.

Administrative costs increased by £2.5 million or 16% to £17.7 million (HI 2021: £15.2 million).

Property costs (including depreciation charges in relation to leases for standalone stores) increased by £1.0 million or 53% to £2.9 million (HI 2021: £1.9 million). Costs were lower in the previous period given there were no rental charges for standalone stores during the time between leases being terminated on 10 June 2020 and new leases being agreed on a store by store basis.

The increase in property costs is also attributable to business rates being reinstated in England from July 2021 albeit at a discounted level. In the current year, the business continues to benefit from the suspension of business rates in Scotland and Northern Ireland. The Board was disappointed to note the recent announcement that business rates would be effectively reinstated in England from next year despite the continuing changes in the retail environment.

Marketing costs increased by £0.5 million or 74% to £1.3 million (HI 2021: £0.8 million). Investment undertaken in the period has continued to be focused on digital marketing where a clear Return on Investment can be demonstrated. We have also started to increase marketing spend to drive broader awareness of the QUIZ brand and to ensure that we are well positioned to benefit from increased consumer demand for occasion and dressy wear.

Distribution costs increased 47% to £5.3 million (HI 2021: £3.6 million) reflecting the higher revenues generated in the period.

Included in distribution costs are commission payments to third parties who sell product on behalf of QUIZ. These increased reflecting the higher levels of sales made through third party websites, international franchises and concessions in the United Kingdom.

Also reflected in the rise in distribution costs are higher carriage costs to stores, concessions and franchises in line with the higher revenues generated.

### **Government grants**

The business has continued to benefit from the financial support provided by the UK Government in response to the COVID-19 pandemic. The support provided has included the reduction in business rates for retail businesses as well as direct payments made to businesses.

The business continued to access the payments available for employees placed on furlough and received £0.6 million in the period (HI 2021: £4.0 million). In addition, the Group accessed further grant support in relation to Coronavirus Grants made available to retail businesses which were closed due to national or local restrictions amounting to £0.4 million (HI 2021: £0.3 million).

### **Non-recurring items**

In June 2020, the Group undertook a restructuring of its store portfolio. The purpose of this restructuring was to secure an economically viable store portfolio that, going forward, was aligned to the business strategy. As a result of this restructuring, Kast Retail Limited (“Kast”), a subsidiary of the Group which previously operated the Group’s standalone stores in the United Kingdom and Ireland was placed into administration and the business and certain assets of Kast were acquired by the Group for a cash consideration of £1.3 million.

The disposal of Kast when it entered into administration and the subsequent repurchase of its business and certain assets gave rise to a total of £16.2 million of gains in the income statement (FY 2021: £15.6 million).

## **Finance costs**

The finance costs of £0.1 million (HI 2021: £0.1 million) primarily relates to interest costs arising on the lease payments for stores.

## **Foreign currency hedging**

The Group currently undertakes foreign exchange transactions.

The primary inflow of foreign exchange relates to the Euro denominated revenues generated in Ireland. The primary outflow of foreign exchange relates to the purchase of stock, primarily in Chinese Renminbi.

The Group manages the risk associated with foreign currency fluctuations through the use of forward contracts for the sale or the purchase of the respective currency for a period of up to 12 months in advance. We have currently hedged our expected currency inflows and outflows for the remainder of the financial year.

## **Taxation**

The reported tax rate in the current year is a charge of 0.9% (HI 2021: credit of 12.6%).

There was no tax impact arising from the £16.2 million non-recurring gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets.

Given the uncertainty with the timing and quantum of future profits no deferred tax assets have been recognised in relation to previously incurred tax losses. The unrecognised deferred tax asset at 30 September 2021 amounted to £2.1 million.

## **Loss/earnings per share**

The loss per share for HI 2021 was 1.18 pence (HI 2021: earnings per share of 9.62 pence). The underlying basic loss per share for HI 2021, which is calculated using the underlying loss before tax less tax at the effective statutory rate, was 3.45 pence (HI 2021: 1.18 pence).

## **Dividends**

Given the loss incurred in the current year the Board does not recommend the payment of a dividend in respect of this Period. No dividends were paid in the prior financial year.

## **Cash flow and cash position**

Cash, net of bank borrowings, at the period end amounted to £4.2 million (HI 2021: £5.5 million), an increase of £2.7 million since 31 March 2021.

The EBITDA of £0.7 million in the period was a £4.0m improvement from the underlying EBITDA loss in HI 2021. The positive financial performance was complemented by a £2.8 million cash inflow from working capital movements. This reflects the £1.4 million reduction in inventories and a £3.2 million increase in payables since 31 March 2021 offset by £1.8 million increase in receivables.

Capital expenditure continued to be monitored closely with spend in the period restricted to £0.3 million (HI 2021: £1.6 million, which includes £1.3 million for the acquisition of a trade and assets).

The cash outflows from financing activities amounted to £0.8 million and related to the repayment of £0.3 million of bank borrowings and the payment of lease liabilities amounting to £0.5 million (HI 2021: £0.2 million).

The business continues to be focussed on improving its cash position. At 7 December 2021, total liquidity headroom amounted to £7.1 million, being £4.6 million of cash net of borrowings and £2.5 million of unutilised bank facilities. There are no financial covenants associated with the Group's bank facilities.

### Reconciliation of Underlying and Reported (IFRS) Results

In establishing the underlying operating profit in the prior year an adjustment is made to remove the impact of the non-recurring gains which arose from the disposal of a subsidiary undertaking which entered into administration and the subsequent repurchase of its business and certain assets as described in Notes 6 and 7.

A reconciliation between Reported and Underlying results is provided below:

	Reported £000	Non-recurring costs £000	Underlying £000
<b>Six months ended 30 September 2021</b>			
Loss before tax	(1,340)	-	(1,340)
Operating loss	(1,258)	-	(1,258)
Depreciation and amortisation	1,921	-	1,921
EBITDA	663	-	663
<b>Six months ended 30 September 2020</b>			
Profit/(loss) before tax	10,615	(16,231)	(5,616)
Operating profit/(loss)	10,714	(16,231)	(5,517)
Depreciation and amortisation	2,189	-	2,189
EBITDA	12,903	(16,231)	(3,328)
<b>Year ended 31 March 2021</b>			
Profit/(loss) before tax	6,026	(15,580)	(9,554)
Operating profit/(loss)	6,220	(15,580)	(9,360)
Depreciation and amortisation	4,468	-	4,468
EBITDA	10,688	(15,580)	(4,892)

**QUIZ plc**  
**Unaudited consolidated statement of**  
**comprehensive income**  
**For the six months ended 30 September 2021**

		<b>Unaudited six months ended 30 September 2021 £000</b>	<b>Unaudited six months ended 30 September 2020 £000</b>	<b>Audited year ended 31 March 2021 £000</b>
	<b>Notes</b>			
<b>Continuing operations</b>				
Revenue	3	36,030	17,246	39,703
Cost of sales		(15,303)	(8,336)	(18,516)
<b>Gross profit</b>		<u>20,727</u>	<u>8,910</u>	<u>21,187</u>
Administrative costs		(17,667)	(15,180)	(30,476)
Distribution costs		(5,303)	(3,602)	(8,304)
Government grants	4	985	4,355	8,163
Other operating income		-	-	68
Total operating costs		<u>(21,985)</u>	<u>(14,427)</u>	<u>(30,547)</u>
<b>Operating loss</b>	5	<u>(1,258)</u>	<u>(5,517)</u>	<u>(9,360)</u>
Gain arising on disposal of subsidiary undertaking	6	-	10,407	10,364
Gain on bargain purchase arising on acquisition	7	-	5,824	5,216
<b>(Loss)/profit before financing and taxation</b>		<u>(1,258)</u>	<u>10,714</u>	<u>6,220</u>
Finance income		-	45	45
Finance costs		(82)	(144)	(239)
<b>(Loss)/profit before income tax</b>		<u>(1,340)</u>	<u>10,615</u>	<u>6,026</u>
Income tax (charge)/credit	8	(123)	1,333	186
<b>(Loss)/profit for the year</b>		<u>(1,463)</u>	<u>11,948</u>	<u>6,212</u>
<b>Other comprehensive income</b>				
Foreign currency translation differences - foreign operations		31	211	(20)
<b>Loss/(profit) and total comprehensive income for the year</b>		<u>(1,432)</u>	<u>12,159</u>	<u>6,192</u>
(Loss)/earnings per share	10	<u>(1.18p)</u>	<u>9.62p</u>	<u>5.00p</u>

All of the above income is attributable to the shareholders of the Company.

**QUIZ PLC****Unaudited consolidated statement of financial position****As at 30 September 2021**

		<b>Unaudited as at 30 September 2021 £000</b>	<b>Unaudited as at 30 September 2020 £000</b>	<b>Audited as at 31 March 2021 £000</b>
	<b>Notes</b>			
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	4,681	6,474	5,218
Right to use asset	12	2,042	4,671	2,981
Intangible assets	13	3,250	3,918	3,413
Deferred tax asset		59	1,333	74
<b>Total non-current assets</b>		<u>10,032</u>	<u>16,396</u>	<u>11,686</u>
<b>Current assets</b>				
Inventories		9,665	10,011	11,087
Trade and other receivables	14	5,405	5,473	3,590
Cash and cash equivalents		5,279	5,503	4,183
<b>Total current assets</b>		<u>20,349</u>	<u>20,987</u>	<u>18,860</u>
<b>Total assets</b>		<u>30,381</u>	<u>37,383</u>	<u>30,546</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	15	(11,397)	(9,617)	(8,202)
Loans and borrowings		(1,087)	-	(2,662)
Lease liabilities		(1,433)	(1,486)	(1,866)
Derivative financial liabilities		(28)	(21)	(21)
Corporation tax payable		(64)	(75)	-
<b>Total current liabilities</b>		<u>(14,009)</u>	<u>(11,199)</u>	<u>(12,751)</u>
<b>Non-current liabilities</b>				
Lease liabilities		(1,100)	(3,582)	(1,099)
Deferred tax liabilities		(59)	(1)	(74)
<b>Total non-current liabilities</b>		<u>(1,159)</u>	<u>(3,583)</u>	<u>(1,173)</u>
<b>Total liabilities</b>		<u>(15,168)</u>	<u>(14,782)</u>	<u>(13,924)</u>
<b>Net assets</b>		<u>15,213</u>	<u>22,601</u>	<u>16,622</u>
<b>Equity</b>				
Called up share capital		373	373	373
Share premium		10,315	10,315	10,315
Merger reserve		1,130	1,130	1,130
Retained earnings		3,395	10,783	4,804
<b>Total equity</b>		<u>15,213</u>	<u>22,601</u>	<u>16,622</u>

**QUIZ PLC****Unaudited consolidated statement of changes in equity****For the six months ended 30 September 2021**

	<b>Unaudited as at 30 September 2021 £000</b>	<b>Unaudited as at 30 September 2020 £000</b>	<b>Audited as at 31 March 2021 £000</b>
<b>Share capital</b>			
Balance at beginning and end of period	373	373	373
<b>Share premium</b>			
Balance at beginning and end of period	10,315	10,315	10,315
<b>Merger reserve</b>			
Balance at beginning and end of period	1,130	915	915
Movement arising from administration of subsidiary	-	215	215
Balance at the end of the period	1,130	1,130	1,130
<b>Profit and loss account</b>			
Balance at beginning of period	4,804	(1,477)	(1,477)
Total comprehensive income	(1,432)	12,159	6,192
Share based payments charge	23	101	89
Balance at end of period	3,395	10,783	4,804
<b>Total equity at beginning of period</b>	<b>16,622</b>	<b>10,126</b>	<b>10,126</b>
<b>Total equity at end of period</b>	<b>15,213</b>	<b>22,601</b>	<b>16,622</b>

**QUIZ PLC****Unaudited consolidated statement of changes of cash flows**

For the six months ended 30 September 2021

	Unaudited six months ended 30 September 2021 £000	Unaudited six months ended 30 September 2020 £000	Audited year ended 31 March 2021 £000
<b>Cash flows from operating activities</b>			
Cash generated by operations			
(Loss)/profit for the year	(1,463)	11,948	6,212
Depreciation of property, plant and equipment	708	963	2,153
Depreciation of right-of-use asset	939	916	1,447
Amortisation of intangible assets	274	310	868
Gain from disposal of subsidiary undertaking	-	(10,407)	(10,364)
Gain from acquisition	-	(5,824)	(5,216)
Share based payment charges	23	101	89
Exchange movement	31	39	(2)
Finance cost expense	82	139	194
Income tax credit	123	(1,333)	(186)
Decrease/(increase) in inventories	1,422	(288)	(1,486)
(Increase)/decrease in receivables	(1,815)	691	2,517
Increase in payables	3,193	3,170	1,265
Net cash from operating activities	<u>3,517</u>	<u>425</u>	<u>(2,509)</u>
Interest paid	(25)	(36)	(55)
Income taxes paid	(60)	(5)	97
<b>Net cash inflow/(outflow) from operating activities</b>	<u>3,432</u>	<u>384</u>	<u>(2,467)</u>
<b>Cash flow from investing activities</b>			
Payments to acquire intangible assets	(111)	(166)	(220)
Payments to acquire property, plant and equipment	(171)	(167)	(101)
Payment to acquire trade and assets	-	(1,302)	(1,302)
Interest received	-	45	45
<b>Net cash outflow from investing activities</b>	<u>(282)</u>	<u>(1,590)</u>	<u>(1,578)</u>
<b>Cash flows from financing activities</b>			
Loans (repaid)/received	(319)	-	1,406
Payment of lease liabilities	(481)	(187)	(1,316)
<b>Net cash (outflow)/inflow from financing activities</b>	<u>(800)</u>	<u>(187)</u>	<u>90</u>
<b>Net (increase)/decrease in cash and cash equivalents</b>	2,350	(1,393)	(3,955)
<b>Cash and cash equivalents at beginning of period</b>	2,927	6,897	6,897
Effect of foreign exchange rates	2	(1)	(15)
<b>Cash and cash equivalents at end of period</b>	<u>16</u> <u>5,279</u>	<u>5,503</u>	<u>2,927</u>

## **Basis of Preparation**

### **1.1 General Information**

QUIZ plc is a public limited company incorporated and registered in Jersey and listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Its registered office is: 22 Grenville Street, St Helier, Jersey, Channel Islands, JE4 8PX.

### **1.2 Basis of Preparation**

These interim financial statements for the six months to 30 September 2021 have been prepared in accordance with “IAS 34 Interim Financial Reporting” as adopted by the European Union and the requirements of the Disclosures and Transparency Rules. They are unaudited and do not include all of the information required for full annual financial statements and do not constitute statutory accounts within the meaning of Companies (Jersey) Law 1991.

The comparative figures for the year ended 31 March 2021 are not the Group’s statutory accounts for that financial year. The interim financial statements should be read in conjunction with the Group’s Annual Report and Accounts for the year ended 31 March 2021, which were prepared and approved by the directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the Companies (Jersey) Law 1991. The auditors’ report on those accounts was unqualified and did not include reference to any matters on which the auditors were required to report by exception under Companies (Jersey) Law 1991. The Annual Report and Financial Statements for the year ended 31 March 2021 has been filed with the Jersey Companies Registry and are available on [www.quizgroup.co.uk](http://www.quizgroup.co.uk)

The Group’s business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Business and Financial Reviews of its Annual Report and Financial Statements for the year ended 31 March 2021. The Financial Review describes the Group’s financial position, cash flows and bank facilities. The interim financial statements are unaudited and were approved by the board of directors on 7 December 2021.

The interim financial statements have been prepared by the directors of the Company (the “Directors”) under the historical cost convention except for certain financial instruments and share based payment liabilities which are measure at fair value.

### **1.3 Accounting Standards**

The accounting policies applied in these interim financial statements are the same as those set out in the Group’s Annual Report and Financial Statements for the year ended 31 March 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not effective.

There are several standards and interpretations issued by the IASB that are effective for financial statements after this reporting period. Of these new standards, amendments and interpretations, there are none which are expected to have a material impact on the Group’s consolidated financial statements.

### **1.4 Use of Estimates and Judgements**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities,

income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 March 2021.

### **1.5 Going concern**

In determining whether the Group's accounts can be prepared on a going concern basis, the Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position, including the current and future anticipated impact of COVID-19.

The key judgements in relation to the going concern assessment are in respect of the potential ongoing impact of COVID-19 on the Group and the likelihood and impact of further lockdowns, including their duration and the impact on consumer demand in the markets in which the Group operates. When making these judgements, the Directors considered the current trading levels, which are currently consistent with management's expectations, and the outlook for the Group against their detailed base case scenario and further downside scenarios.

The Group has £3.5 million of banking facilities, which expire on 30 September 2022. These facilities comprise a £2.0 million overdraft and £1.5 million working capital facility. There are no financial covenants associated with these facilities, which are reviewed annually. Whilst the facilities are repayable on demand the Directors believe that these facilities will be available to the Group through to 30 September 2022 and will be renewed in due course.

The directors have prepared trading and cash flow forecasts for a period of one year from the date of approval of these interim financial statements. The base case and downside scenario forecasts indicate the Group will remain within its available borrowing facilities through the forthcoming twelve-month period. Further actions could be undertaken to mitigate against any shortfalls arising from these scenarios. These include reducing operating costs and capital expenditure, ceasing or suspending loss-making activities and optimising working capital

Based on the assessment undertaken, the directors have a reasonable expectation that the Group has access to adequate resources to enable it to continue to operate as a going concern for the foreseeable future, being a period of twelve months from the date interim financial statements were approved, being 7 December 2021. Accordingly, the directors consider it appropriate to continue to adopt a going concern basis of accounting in preparing the financial statements of the Group.

## **2. Principal risks and uncertainties**

The board considers the principal risks and uncertainties which could impact the group over the remaining six months of the financial year to 31 March 2021 to be unchanged from those set out on in the Annual Report and Financial Statements for the year ended 31 March 2021 on pages 16 to 19.

In summary these relate to the current and possible future pandemic, the loss of a key trading partner, brand and reputational risk, fashion and customer demands risk, a changing economic environment, product sourcing; the risk of disruption to IT systems or distribution networks and people, financial and regulatory risk.

### 3. Revenue

An analysis of revenue by source and geographical destination is as follows:

	<b>Unaudited six months ended 30 September 2021 £000</b>	<b>Unaudited six months ended 30 September 2020 £000</b>	<b>Audited year ended 31 March 2021 £000</b>
Online	12,534	9,882	21,621
International	6,923	2,661	7,591
UK stores and concessions	16,573	4,703	10,491
	<u>36,030</u>	<u>17,246</u>	<u>39,703</u>
United Kingdom	29,064	14,358	31,565
Overseas	6,966	2,888	8,138
	<u>36,030</u>	<u>17,246</u>	<u>39,703</u>

### 4. Government grants

Government grant income comprises:

	<b>Unaudited six months ended 30 September 2021 £000</b>	<b>Unaudited six months ended 30 September 2020 £000</b>	<b>Audited year ended 31 March 2021 £000</b>
Government support – furlough payments	615	4,024	6,943
Government support – grant income	370	331	1,220
	<u>985</u>	<u>4,355</u>	<u>8,163</u>

## 5. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	Unaudited six months ended 30 September 2021 £000	Unaudited six months ended 30 September 2020 £000	Audited year ended 31 March 2021 £000
Cost of inventories recognised as an expense	15,303	8,336	18,516
Distribution costs	5,303	3,602	8,304
Employment costs	8,558	8,860	17,678
Depreciation	1,647	1,879	3,600
Amortisation	274	310	868
Short-term lease payments	983	262	430
Government grants	(985)	(4,355)	(8,163)
Other operating income	-	-	(68)
Other expenses	6,206	3,869	7,900
	<u>37,289</u>	<u>22,763</u>	<u>49,065</u>

Employment costs reflect the costs incurred on those directly employed by the Group and agency costs.

## 6 Gain arising from disposal of subsidiary undertaking

The Group's standalone stores in the United Kingdom and the Republic of Ireland were operated by Kast Retail Limited ("Kast"). The Group's standalone stores in Spain were operated by Kast International Spain SL, a wholly owned subsidiary of Kast. On 10 June 2020, the Company announced proposals to restructure its standalone retail store portfolio which resulted in Kast being placed into administration and triggered the disposal of Kast by QUIZ plc which resulted in the gain below being recognised in the year ended 31 March 2021:

	£000
Disposal proceeds	-
Net liabilities of subsidiary undertaking disposed of	(10,364)
Gain arising on disposal of subsidiary undertaking	<u>(10,364)</u>

The net liabilities of the disposed subsidiary undertaking primarily related to lease liabilities in relation to leases associated with standalone stores.

The unaudited gain arising on the disposal of a subsidiary undertaking of £10,407,000 recognised in the six months to 30 September 2021 was based on an initial assessment of the net liabilities of the subsidiary undertaking disposed of which was amended for inclusion in the audited accounts for the year ended 31 March 2021.

## 7 Gain on bargain purchase arising on acquisition

Further to the appointment of joint administrators to Kast, Zandra Retail Limited ("Zandra"), a wholly owned subsidiary of the Company, acquired the business and certain assets of Kast, including inventories, fixtures and fittings, contracts and vehicles on 10 June 2020 for a cash consideration of £1,302,000.

Whilst none of the leases associated with the standalone stores operated by Kast transferred to Zandra, new lease arrangements were secured for the majority of the previous standalone stores.

The acquired business contributed revenues of £5,975,000 and profit after tax of £1,117,000 to the Group for the period from 10 June 2020 to 31 March 2021. As the trade acquired was operated by the Group for the whole reporting period the revenue and loss for the combined entity as though the acquisition date had been the beginning of the period are those shown in the consolidated income statement.

The gain on bargain purchase amounting to £5,216,000 on the acquisition, which arose as the deemed fair value of the assets acquired were greater than the consideration paid, has been recognised in the Statement for Comprehensive Income in the year ended 31 March 2021.

Details of the acquisition are as follows:

	Fair Value £000
Receivables	266
Property, plant and equipment	5,429
Intangibles	1,199
Inventories	2,420
Trade payables	(2,036)
Employee benefits	(365)
Other liabilities	(395)
Net assets acquired	6,518
Gain on bargain purchase	(5,216)
Fair value of the total consideration transferred	1,302
<hr/>	
Represented by:	
Cash paid to the vendor	1,302

The assets and liabilities acquired have been recognised at their estimated fair values at the acquisition date on the basis the business is being carried on as a going concern and is expected to generate a positive financial contribution going forward. The costs of the acquisition recognised as an expense as part of administration costs amounted to £194,000.

The unaudited gain on bargain purchase of £5,824,000 recognised in the six months to 30 September 2021 was based on an initial assessment of the assets and liabilities acquired which was amended for inclusion in the audited accounts for the year ended 31 March 2021.

## 8. Income Tax Expense

The Group's effective tax rate in respect of continuing operations for the six months ended 30 September 2021 is 0.9% (six months ended 30 September 2020 – 12.6% and year ended 31 March 2021: 3.1%).

## 9. Dividends

No dividend was paid in the current or previous periods.

## 10. Earnings per share

	<b>Unaudited six months ended 30 September 2021 £000</b>	<b>Unaudited six months ended 30 September 2020 £000</b>	<b>Unaudited year ended 31 March 2021 £000</b>
Number of shares:	No.	No.	No.
Weighted number of ordinary shares outstanding	124,230,905	124,230,905	124,230,905
Earnings:	£000	£000	£000
(Loss)/profit basic	(1,463)	11,948	6,212
(Loss)/profit adjusted basic	(1,463)	(4,283)	(9,368)
Earnings per share:	Pence	Pence	Pence
Basic (loss)/earnings per share	(1.18)	9.62	5.00
Adjusted basic loss per share	(1.18)	(3.45)	(7.54)

Given the share price during the period there is no dilutive effect from the share options outstanding.

The adjusted profit after tax in the year ended 31 March 2021 is shown before the impact of the £16,231,000 of gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets, as outlined in Notes 6 and 7 (Year ended 31 March 2021: £15,580,000).

The directors believe that the adjusted profit after tax and the adjusted earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally. The adjusted profit after tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

## 11. Property, Plant and Equipment

	Leasehold property £000	Motor vehicles £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost</b>					
At 1 April 2021	484	104	1,565	15,051	17,204
Additions	103	11	17	40	171
At 30 September 2021	587	115	1,582	15,091	17,375
<b>Depreciation</b>					
At 1 April 2021	285	67	789	10,845	11,986
Charge	56	11	99	542	708
At 30 September 2021	341	78	888	11,387	12,694
<b>Net book value</b>					
At 30 September 2021	246	37	694	3,704	4,681
At 31 March 2021	199	37	776	4,206	5,218

## 12. Right-of-Use Assets

	Property £000
<b>Cost</b>	
At 1 April and 30 September 2021	4,153
<b>Depreciation</b>	
At 1 April 2021	1,172
Charge	939
At 30 September 2021	2,111
<b>Net book value</b>	
At 30 September 2021	2,042
At 31 March 2021	2,981

The Group present lease liabilities separately within the statement of financial position. The movement in the year comprised:

	£000
<b>Cost</b>	
At 1 April 2021	2,965
Interest expense related to lease liabilities	49
Repayment of lease liabilities (including interest)	(481)
At 30 September 2021	2,533
Current lease liabilities	1,433
Non-current lease liabilities	1,100

### 13. Intangibles

	Goodwill £000	Computer software £000	Trademarks £000	Total £000
<b>Cost</b>				
At 1 April 2021	6,175	3,626	165	9,966
Additions	-	111	-	111
At 30 September 2021	6,175	3,737	165	10,077
<b>Depreciation</b>				
At 1 April 2021	5,248	1,245	60	6,553
Amortisation	-	265	9	274
At 30 September 2021	5,248	1,510	69	6,827
<b>Net book value</b>				
At 30 September 2021	927	2,227	96	3,250
At 31 March 2021	927	2,381	105	3,413

### 14. Trade and other receivables

	Unaudited as at 30 September 2021 £000	Unaudited as at 30 September 2020 £000	Audited as at 31 March 2021 £000
Trade receivables – gross	2,155	3,076	2,265
Allowance for doubtful debts	(301)	(301)	(301)
Trade receivables - net	1,854	2,775	1,964
Other receivables	292	309	769
Prepayments and accrued income	3,259	2,389	857
	5,405	5,473	3,590

### 15. Trade and other payables

	Unaudited as at 30 September 2021 £000	Unaudited as at 30 September 2020 £000	Audited as at 31 March 2021 £000
Trade payables	5,066	5,400	4,025
Other taxes and social security costs	1,950	974	1,562
Accruals	3,824	2,602	2,149
Other creditors	549	633	458
Amounts due to related parties	8	8	8
	11,397	9,617	8,202

## 16. Cash and cash equivalents

	<b>Unaudited as at 30 September 2021 £000</b>	<b>Unaudited as at 30 September 2020 £000</b>	<b>Audited as at 31 March 2021 £000</b>
Cash at bank and in hand	5,279	5,503	4,183
Overdraft	-	-	(1,256)
	<u>5,279</u>	<u>5,503</u>	<u>2,927</u>

## 17. Financial Instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities. All financial liabilities are measured at amortised cost.

	<b>Unaudited as at 30 September 2021 £000</b>	<b>Unaudited as at 30 September 2020 £000</b>	<b>Audited as at 31 March 2021 £000</b>
Carrying value of financial assets:			
Cash and cash equivalents	5,279	5,503	4,183
Trade and other receivables	2,146	3,084	2,733
<b>Total financial assets</b>	<u>7,425</u>	<u>8,587</u>	<u>6,916</u>
Carrying value of financial liabilities:			
Trade and other payable	(5,623)	(8,643)	(6,640)
Bank and other borrowings	(1,087)	-	(2,662)
Lease liabilities	(2,533)	(5,068)	(2,965)
<b>Total financial liabilities</b>	<u>(9,243)</u>	<u>(13,711)</u>	<u>(12,267)</u>

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated P-1 and A-1, based on Moody's ratings.