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Milestone Group Plc



Business Overview

ESTABLISHED: 2003

LOCATION: London, UK

LISTING: AIM

TYPE OF COMPANY: For profit

NUMBER OF EMPLOYEES: 21

ISSUED SHARE CAPITAL: 1,082,141,411
issued ordinary shares of 0.1 pence each

BUSINESS AREA:

Digital Media; Technology

COMPANY WEBSITE:

www.milestonegroup.co.uk

BUSINESS OVERVIEW

Milestone Group Plc (Milestone Group) is a digital media and technology company with a focus on using technology and media for good, whilst building a brand synonymous with making a difference.

Milestone Group's can be broadly divided into: digital publishing and distribution; design and creative services; financial services; social media and analytics. Whilst each unit is a compelling business in its own right, they can also all come together to deliver some of the company's larger and more impact driven initiatives.

An example of this is the Group's flagship product, the Passion Project, that helps young people between the ages of 18 and 25 to identify a career that matches their natural talents and interests. The project helps direct its participants into training and employment opportunities, utilising a digital platform and a growing network of strategic partnerships.

SOCIAL MISSION

Milestone Group and its charitable foundation, the Milestone Foundation, deliver their social missions through the use of innovative products and programmes such as:

Passion Project, a large-scale youth engagement programme;

DIVERT, working with the Metropolitan Police Service to divert young individuals away from a life of crime at the point of arrest;

Working collaboratively with other corporate and charitable entities to ensure all its programmes deliver clear and measurable impact to all involved.

The need for such programmes is clearly evidenced by unemployment figures. The unemployed 16–24 age group accounts for over 130,000 individuals comprising 21% of the total claimant count in the UK.

This figure is however dwarfed by the numbers of young people classified as NEET (Not in Education, Employment or Training), which currently stands at 690,000. This age group experiences significant disadvantages, with low or non-existent access to benefit payments compared to other age groups.

WHO BENEFITS?

YOUNG PEOPLE: Helping young people to increase their social mobility, employability, access to apprenticeships, and involvement in the criminal justice system.

CHARITIES AND CORPORATES:

The Passion Project is designed to be a social marketplace generating social value for the corporate partners and commercial value for its charitable partners.

POLICYMAKERS, COMMISSIONERS AND FUNDERS:

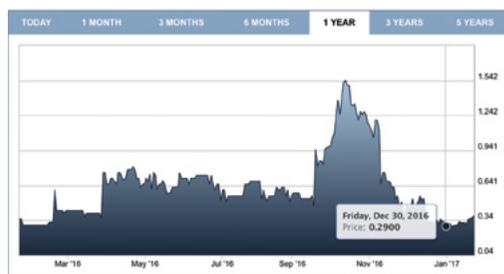
Contribution towards the government's skills agenda to upskill the national workforce through qualifications and meeting employers' needs. Identification of local societal issues and development of bespoke solutions. Effective delivery of objectives using needs based criteria.

Commercial and Financial Summary

CAPITAL STRUCTURE

Milestone Group has repositioned itself from being a traditional media business and has developed into a digital media and technology business. This has been financed through equity investment. New revenues have been developed through its subsidiary Nexstar, a technology provider delivering digital entertainment and payment solutions.

PRICE CHART¹



¹ Source: LSE

² LSE (The market capitalisation of companies reflects the London listed element only. These figures are approximate and are updated monthly)

³ Before working capital adjustments

BUSINESS HIGHLIGHTS

Nexstar has delivered a number of key initiatives:

Extended the existing Joint Venture (JV) agreement with technology partner, Black Cactus Pty, and signed a JV with Axis Stars Ltd

Launched a new music and video publishing platform, nexstarmusic.com.

Signed two prepaid card programmes, the first artist to the music publishing platform and the first film distribution agreement (“Brash Young Turks”)

At a group level the company has:

Expanded the software application contract with Charlton Athletic Community Trust

Completed a pilot at 40 primary schools of the programme “Winning in the Game of Life”

Successfully delivered the first Passion Project emotional intelligence training events

Signed co-operation agreements with several key strategic partners for the Passion Project including Apprenticeships4England, Green Skills partnership, Sean Edwards Foundation

Appointed Tim Lacey as Head of Commercial Development for the Foundation

FINANCIAL INFORMATION

| (£m) | 2014 | 2015 | 6m-Mar-16 |
|---|-------------|-------------|-----------|
| Revenue | 157,377 | 318,035 | 50,408 |
| Profit before tax | (1,071,383) | (1,402,542) | (742,864) |
| Total Assets | 190,838 | 155,972 | 187,032 |
| Cash Balances | 75,855 | 92,945 | 119,430 |
| Interest bearing loans | 73,527 | 106,527 | 259,647 |
| Cash flows from operating activities ³ | (1,071,383) | (1,402,542) | (742,847) |
| EPS | (0.23) | (0.25) | (0.12) |

FINANCIAL INFORMATION

TICKER: MSG

SHARE PRICE: £0.29 (close 31/12/16)

MARKET CAP: £ 3.46m³ (close 31/12/16)

Impact Assessment Matrix

ECONOMIC IMPACT

| | MEASUREMENT | REPORTED DATA |
|---|--|---------------|
| Criminal Justice System (Divert) | Costs saved through reduction in reoffending | £2.1 million |

SOCIAL IMPACT

| | MEASUREMENT | REPORTED DATA |
|------------------|---|---------------|
| Economy | Amount of Benefits saved | £870,000 |
| Education | Number of schools benefitting from pilot of emotional intelligence programme, Winning in the Game of Life | 40 |

ENVIRONMENTAL IMPACT

| | MEASUREMENT | REPORTED DATA |
|------|-------------|---------------|
| N.A. | N.A. | N.A. |

GOVERNANCE

| | MEASUREMENT | REPORTED DATA |
|------|-------------|---------------|
| N.A. | N.A. | N.A. |

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