

Mirriad Advertising plc
("Mirriad" or the "Company")

Unaudited interim results

Mirriad, the leading in-content advertising company, today announces unaudited interim results for the six months ended 30 June 2022 (the "Period" or "H1").

H1 2022 highlights:

Strategic developments

- Improvements recorded across all non-financial KPIs on supply and demand sides
- Growing client roster in the US, including top tier brands and active work with all major agency groups
- Contract signed with Magnite on 30 May 2022 to initiate path to scale and automation of the in-content advertising format via programmatic ad campaigns across multiple platforms, channels and markets
- Decision to make orderly wind down of Chinese operations by the end of the Tencent contract in March 2023, which will deliver annualised cost savings of approximately £1m
- New Non-Executive Directors appointed in June and July 2022
- Research shows in-content advertising increases campaign reach compared to conventional spot advertising in March 2022
- First campaign in Canada in February 2022

Financial headlines

- Revenue for H1 of £577k (H1 2021: £1.1m). Due to seasonal nature of key advertising markets and the sales pipeline, higher revenues are expected in H2
- US revenues grew by 57% to £418k (H1 2021: £266k), now accounting for 72% of total revenue
- China revenue down 85% in the Period from £820k in H1 2021 to £120k, due to stringent lockdowns and a challenging ongoing macro environment
- Cost control programme to deliver a total of £2.5m annualised savings, with vast majority to be achieved in 2023
- Closing cash at the end of June 2022 of £17.7m (30 June 2021: £29.8m)
- Cash consumption increased to £6.7m (H1 2021: £5.5m) as the Company invests in key US commercial roles and technology
- Operating loss of £8.5m (H1 2021: loss of £5.9m)
- Loss per share 3p (H1 2021: loss 2p)

KPIs

KPI	H1 2021	H1 2022	Change
Supply side			
1. Active supply partnerships	13	18	+38%
2. Supply partners represented	34	61	+79%
3. Seconds of content available	265,165	337,862	+27%
Demand side			
1. Active agency relationships	9	9	No change
2. Number of advertisers who have run campaigns	17	23	+35%
3. Strategic and commercial partnership agreements with advertisers and agencies	2	3	+50%

Stephan Beringer, CEO of Mirriad, said: “Mirriad is continuing to build a proposition that will be a key pillar for the future of the video and TV advertising market. Advertisers, content owners and broadcasters all face significant challenges in their markets and the ability to better respond to these challenges will shape the next generation of advertising.

“Mirriad’s format offers new revenue opportunities to the media industry and high performance and returns to advertisers. Our positive US momentum demonstrates our burgeoning opportunities in the world’s largest advertising market, with campaigns for new and recurring advertiser clients, and a steadily growing partner roster. Work is ongoing to further improve conversion and deal sizes of our pipeline.

“Elsewhere, we have taken action to mitigate disappointing revenue in China, resulting from stringent lockdowns and a challenging macro environment overall. We expect this specific decision will deliver annualised cost savings of approximately £1m from 2023 and ensure we continue to focus on the scale that will be achieved by integrating effectively into the wider advertising ecosystem.

“We are tracking strongly against the KPIs and are seeing a very clear acceleration of interest in the in-content format. As previously guided, we expect a stronger revenue-generating activity to be backloaded towards the end of the year, and we are within the Company’s expectations of cash consumption and cash balance.”

Enquiries:

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Mirriad Advertising plc

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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.

About Mirriad

Mirriad's award-winning solution unleashes new revenue for content producers and distributors by creating new advertising inventory in content. Our patented, AI and computer vision technology dynamically inserts products and innovative signage formats after content is produced. Mirriad's market-first solution seamlessly integrates with existing subscription and advertising models, and dramatically improves the viewer experience by limiting commercial interruptions.

Mirriad currently operates in the US, Europe and China.

Chairman's Statement

Our Interim Results underline how, despite a renewed period of global uncertainty, strategic focus on the US can unlock long-term future growth for Mirriad. Fully realising the potential of a market of this size will require further effort, but our established fundamentals mean the Company is well-placed to scale. We are tracking strongly against the KPIs agreed by the Board and I look forward to providing further updates on this important measure of progress.

As outlined in the 2021 Full Year Results, we have strategically invested to maximise our strength in the US, and I was pleased to recently welcome new members to our expanded Board. Nicole McCormack and JoAnna Foyle both bring high-level US-focused experience across advertising supply and demand, while Lois Day brings extensive fundraising and capital markets expertise. I would also like to thank Kelsey Lynn Skinner for her contribution before standing down from the Board for maternity reasons, and her responsibility for Mirriad's ESG approach will pass to Lois Day.

Hot on the heels of the business challenges born of the pandemic, we now face another moment of global uncertainty as inflation looks set to continue to rise for most, with inevitable knock-on effects on consumer confidence. These conditions – now reported across the board following inflated growth expectations from some quarters – are already affecting ad conversion cycles across the world.

Specifically in China, the stringent Covid-19 lockdowns in key cities undoubtedly had more of an effect on the advertising industry than expected, and Mirriad revenues in the first half of 2022 are considerably lower in China than anticipated. We are alive to the varying considerations in all our markets and have taken the decision to exit this market when our current Tencent contract ends in Q1 2023.

Right now, we will continue to focus our spend in the areas which will have most impact, whilst reducing and reprioritising expenditure away from areas with less immediate revenue generating potential.

The advertising market is changing. Global insecurities are feeding through to advertising budget decisions, the privacy landscape is altering and consumers are ad-fatigued. Despite this backdrop, Mirriad delivers something different for marketers. The results we drive both in consumer preference and brand consideration are why we have seen key clients return to us.

There is also rising awareness of in-content as an essential and revolutionary next-generation approach to advertising. We welcome the fact that Amazon has turned its attention, albeit in a limited fashion, to in-content within its own platform. While it has taken that company three years to get to the point they are at now, it underlines the huge potential of the format where we have extensive experience, and strong patent protection, as the market leader.

Netflix too is considering how to diversify away from subscription-only income with the introduction of ads in partnership with Microsoft. These significant moves by some of the largest players in the streaming space, combined with the need for broadcasters and content owners/creators to find new revenue streams, further highlight the significant \$149bn Total Addressable Market for Mirriad that exists in the 94% of content that is currently out of reach of traditional ad formats.

We will continue our hard work to convert what is a promising and high-quality pipeline, whilst further raising awareness of how our category-leading approach to in-content advertising can make a crucial difference to brands, content creators and broadcasters.

John Pearson
Non-executive Chairman
11 August 2022

Chief Executive Officer's Statement

Since our 2021 Final Results announcement in May 2022, we have continued to execute against our strategy of adoption and integration of Mirriad's technology with several important developments. The new collaboration with Magnite is one of the many steps towards our ability to activate in-content insertions programmatically, integrating with the media and content ecosystem based on a standardised approach.

The new developments come at a time when we are experiencing a significant rise of interest in the in-content format, evidenced by Amazon's recent announcement to enter the market. We see Amazon's move as a pivotal validation of the new ad category that Mirriad is leading, and we are confident that our platform and our established roster of quality partnerships put us in a very strong position.

We are currently performing well against the KPIs the Company agreed to report against, underlining progress in all key areas across both the supply and demand sides of the business.

Revenue in the US continues to grow and has increased by 57% year-on-year, however overall H1 revenue for the Company is £577k, approximately half of the previous year's H1 revenue. The main cause of this decline is the significant reduction from China where revenues have fallen by over 85% year-on-year, as the H1 2021 comparator included the final recognition of minimum guaranteed revenue in the first Tencent contract.

The severe impact of Covid restrictions in China have led to unprecedented cuts and lingering uncertainty across the entire advertising market in China, which is combined with a challenging ongoing macro environment. We have therefore taken the strategic decision to wind down our operations in China at the end of our current contract which ends on 31 March 2023.

We expect this decision will deliver annualised cost savings of around £1m from 2023, allowing more immediate focus in the company's other markets and especially in the US, where we're experiencing the most encouraging developments both on the supply-partner side and with advertisers and their agencies.

It has become apparent this year that audience attention and ad relevance are quickly rising as the headline themes for the advertising and content industry, who are facing the ever-growing ad escapism as a threat to everyone's growth agendas. In this context, I firmly believe that content owners and advertisers will now begin prioritising format diversification to drive higher campaign ROIs whilst countering the growing ad-aversion. The gains in reach and impact that Mirriad's in-content approach can deliver, as extensively proven by Nielsen, BARB and Kantar, offer a decisive new option at a time of recalibration for the advertising industry.

Campaigns update

In North America, we successfully deployed dynamic ad insertion with a leading global food and drink manufacturer, and we have undertaken several significant campaigns for Lexus, driving a 14% uptick in headline brand awareness. Alongside this, we worked with Nissan to promote its current line of electric vehicles (EVs), via a Mirriad-first SVOD integration on a popular streaming platform.

Four further high-profile North American campaigns for blue chip advertisers have been approved and are expected to run imminently. Each benefit from the growing scale of our inventory and our platform's ability to deliver campaigns across platforms and formats with contextual precision to secure higher impact.

We have executed several music campaigns during H1, most notably an event marking the 50th birthday of deceased artist Biggie Smalls. This was a highly anticipated event where Mirriad's solution enabled brands to be digitally integrated into this iconic celebration that included a procession through Manhattan with a star-studded entourage.

Agreements in other markets that we announced earlier in the year have started to bear the fruit of first campaigns. In Japan, we went live on the FujiTV VOD platform. We expect to roll out further campaigns across FujiTV's VOD platform and broadcast television network this Autumn. In Canada we launched with Bell Media in Q1 running campaigns for blue-chip clients in the Financial Services and FMCG sectors. These initial campaigns are the first to run in the Canadian market and have delivered impressive results for our content and brand partners. We expect a continued roll out to new partners in Canada in H2.

Pipeline and partners update

In the US, we are seeing growth in revenue, partners and clients, but Europe and APAC are lagging behind progress achieved in H1, the latter primarily due to stringent Covid-19 lockdowns in China.

We are encouraged, however, by the volume of repeat customers, the presence of high-quality brands across all categories and the overall strength of our forward-looking pipeline. Notably, we are currently responding to RFPs for blue-chip brands across all key categories and working with all major advertising agency groups in the US. Following the hires of Zac Reeder as Head of Studio Partnerships, in Los Angeles and Matt Douglas as Head of Programmatic Partnerships, in New York we are seeing an immediate uptick of opportunities in both of these growth areas.

To maximise the realisation of this pipeline we will now be leaning more into digital, in the EU and APAC, to reflect positive initial progress made on this front in North America.

We are focused on using our vast array of agreements and partnerships to drive the delivery of more campaigns, but we do expect a lot of this activity to be backloaded towards the end of the year, as per industry norms.

Technology and effectiveness update

We are working to build a standardised proposition that will be a key pillar for the future of the video and TV advertising industry. At a time of increasing interest in in-content, we must judiciously communicate key technical capabilities to avoid giving away competitive

advantage. Mirriad currently enjoys the protection of 35 patents, and we will add to these to ensure we have robust safeguards as our technology progresses even further.

We continue to make positive progress on developing our dynamic insertion approach, and we are continuously improving our end-to-end experience, enhancing data exchange, and developing self-service capabilities.

Outlook

Across the business, the team is working hard to successfully convert and further grow our pipeline, against the backdrop of macroeconomic uncertainty in many of our markets. As evidenced by our KPIs, there is positive progress on building both the supply and demand sides of our pipeline.

Revenue for H1 was not where we would have liked it to have been, but Company plans always assumed a lot of revenue-generating activity to be backloaded towards the end of the year.

The Company has a cash balance of £17.7m and we are actively reviewing and prioritising spend to ensure that we manage our cash use over the second half of the year, factoring in planned-for cost increases in line with strategic hires. We have taken decisive action to address currently inescapable market challenges in China, and at the end of the half year we are within the company's expectations of cash consumption and cash balance.

Crucially, the calibre of discussions we are having with top-tier content and technology partners, advertisers and agencies, underlines how Mirriad is moving from being a novel solution to be an accepted part of the advertising ecosystem. This is still an ongoing process, and further enabling the integration process will be our number one focus for the next twelve months.

Stephan Beringer
Chief Executive
11 August 2022

Chief Financial Officer's Statement

Interim results

In H1 2022, revenues reduced year on year following a material reduction in revenues from our Chinese business. The comparator period in 2021 saw the final recognition and unwinding of minimum guaranteed revenues under the first Tencent contract with no equivalent in 2022. We had anticipated much higher Chinese revenues but the complete close down of many Chinese cities including Shanghai was not expected. Revenue for the Period was £577k (H1 2021: £1.1m). US revenues grew by 57% to £418k (H1 2021: £266k), which was encouraging but not sufficient to offset the substantial reduction in China. US revenues accounted for 72% of overall revenue up from 23% in the same period last year.

In Europe, we saw a relatively modest level of activity and European revenues were not material in either H1 2022 or 2021.

Gross profit for the Period decreased by 56% to £430k (H1 2021: £978k) as a result of the reduction in revenue. Cost of sales decreased by 8% period on period to £147k (H1 2021:

£160k). As previously stated, cost of sales is principally expenditure on staff and the Company has staffed for peaks of activity. We anticipate gross margin will continue to increase as the volume of activity increases.

The Group's operating loss increased by 42% to £8.5m (H1 2021: £5.9m) as a result of the reduction in sales and an increase in Administrative expenses following the continued investment in our US team and continued investment in our technology function. Administrative expenses increased by 27% to £8.9m (H1 2021: £7.0m). Headcount at 30 June 2022 was 142 (30 June 2021: 109).

At the half year end, we have again reviewed our compliance with IAS 38 and we continue to believe that the inherent uncertainty of future revenue generation means that it is not appropriate to capitalise any of our development cost in the first six months of the year.

The Group continues to prioritise expenditure on research and development to ensure that it retains its technological lead and addresses partner needs. For the period ending June 2022 total expenditure on research and development increased by 19% to £1.8m (H1 2021: £1.5m).

The loss for the period before tax also increased by 42% to £8.4m (H1 2021: £5.9m) in line with the increase in operating loss noted above.

Tax

The Group has not recognised any tax assets in respect of trading losses arising in the current financial period or accumulated losses in previous financial years. The tax credit recognised in the current and previous period arises from the receipt of R&D tax credits in the UK. The amount receivable for the Period ended 30 June 2022 is £293k (H1 2019: £31k) as the Company has reviewed its current and historic R&D tax credits.

Earnings per share

The company recorded a loss of 3 pence per share (H1 2021: loss of 2 pence per share). This calculation is based on the weighted average number of shares in issue during the period.

Dividend

No dividend has been proposed for the Period ended 30 June 2022 (H1 2021: £nil).

Cash flow

Net cash used in operations (defined as the sum of net cash used in operating activities and the net cash used in investing activities) during the Period increased in line with the increase in operating loss by 22% to £6.7m (H1 2021: £5.5m). During the period no development costs were capitalised (H1 2021: £nil). The Group also incurred £42k (H1 2021: £55k) of capital expenditure on tangible assets.

No Ordinary Shares were issued in the Period (H1 2021: 188,917).

Balance sheet

The Group has a debt-free balance sheet. Net assets decreased by 40% to £17.9m (30 June 2021: £29.8m) as the Company used cash balances to fund the Group's ongoing operations. Cash and cash equivalents at 30 June 2022 were £17.7m (30 June 2021: £29.8m).

Accounting policies

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. Mirriad Advertising Plc transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact and no changes in accounting policies resulting from the transition. These condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2022 have been prepared in accordance with the UK-adopted International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

David Dorans
Chief Financial Officer
11 August 2022

Company Information

Directors John Pearson Chairman Stephan Beringer Chief Executive Officer David Dorans Chief Financial Officer Alastair Kilgour Non-Executive Director Lois Day Non-Executive Director Bob Head Non-Executive Director Nicole McCormack Non-Executive Director JoAnna Foyle Non-Executive Director	Independent Auditors PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT Solicitors Osborne Clarke LLP 6th Floor One London Wall London EC2Y 5EB
Company registration number 09550311	Company Secretary Jamie Allen
Registered Office 6 th Floor One London Wall London EC2Y 5EB	Nominated Adviser & Broker Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Company website www.mirriad.com	Financial PR Charlotte Street Partners Limited 16 Alva Street Edinburgh EH2 4QG
	Registrars Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS99 6ZZ

Condensed consolidated statement of profit or loss and condensed statement of comprehensive income for the six months ended 30 June 2022

	<u>Note</u>	Six months ended 30 June 2022 (unaudited) £	Six months ended 30 June 2021 (unaudited) £	Year ended 31 December 2021 (audited) £
Revenue	5	577,436	1,137,288	2,009,721
Cost of Sales		(147,154)	(159,614)	(293,627)
Gross Profit		430,282	977,674	1,716,094
Administrative expenses		(8,880,678)	(7,006,277)	(13,936,458)
Other operating Income		-	85,217	200,982
Operating Loss		(8,450,396)	(5,943,386)	(12,019,382)
Finance Income		23,093	4,288	9,907
Finance costs		(18,622)	(3,275)	(10,768)
Finance income / (costs) net		4,471	1,013	(861)
Loss before income tax		(8,445,925)	(5,942,373)	(12,020,243)
Income tax credit		293,300	30,949	1,047,771
Loss for the period / year		(8,152,625)	(5,911,424)	(10,972,472)
Loss per ordinary share – basic	6	(3p)	(2p)	(4p)

All activities are classified as continuing.

	Six months ended 30 June 2022 (unaudited) £	Six months ended 30 June 2021 (unaudited) £	Year ended 31 December 2021 (audited) £
Loss for the financial period / year	(8,152,625)	(5,911,424)	(10,972,472)
Other comprehensive income / (loss)			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	276,856	25,992	(216,756)
Total comprehensive loss for the period / year	(7,875,769)	(5,885,432)	(11,189,228)

Condensed consolidated balance sheet
At 30 June 2022

	Note	As at 30 June 2022 (unaudited) £	As at 30 June 2021 (unaudited) £	As at 31 December 2021 (audited) £
Assets				
Non-current assets:				
Property, plant and equipment		704,104	470,361	767,396
Trade and other receivables		188,795	185,885	162,962
		892,899	656,246	930,358
Current assets				
Trade and other receivables		1,307,677	1,738,492	1,892,152
Other current assets		1,135,286	110,293	1,116,320
Cash and cash equivalents		17,714,189	29,764,102	24,501,214
		20,157,152	31,612,887	27,509,686
Total assets		21,050,051	32,269,133	28,440,044
Liabilities				
Non-current liabilities				
Lease liabilities		357,912	29,636	411,993
		357,912	29,636	411,993
Current liabilities				
Trade and other payables		2,419,427	2,124,607	2,866,773
Current tax liabilities		-	-	2,481
Lease liabilities		345,196	361,132	217,825
		2,764,623	2,485,739	3,087,079
Total liabilities		3,122,535	2,515,375	3,499,072
Net Assets		17,927,516	29,753,758	24,940,972
Equity and Liabilities				
Equity attributable to owners of the parent				
Share capital	7	52,690	52,690	52,690
Share premium		65,754,666	65,754,666	65,754,666
Share based payment reserve		4,527,838	3,174,515	3,665,525
Retranslation reserve		(83,198)	(117,306)	(360,054)
Accumulated losses		(52,324,480)	(39,110,807)	(44,171,855)
Total equity		17,927,516	29,753,758	24,940,972

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2022

Six months ended 30 June 2021						
Note	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Accumulated Losses £	Total Equity £
Balance as at 1 January 2021	52,688	65,710,297	2,850,571	(143,298)	(33,199,383)	35,270,875
Loss for the period	-	-	-	-	(5,911,424)	(5,911,424)
Other comprehensive income for the period	-	-	-	25,992	-	25,992
Total comprehensive loss for the period	-	-	-	25,992	(5,911,424)	(5,885,432)
Proceeds from shares issued	2	44,369	-	-	-	44,371
Share based payments recognised as expense	-	-	323,944	-	-	323,944
Total transactions with shareholders recognised directly in equity	2	44,369	323,944	-	-	368,315
Balance as at 30 June 2021	52,690	65,754,666	3,174,515	(117,306)	(39,110,807)	29,753,758

Year ended 31 December 2021 (audited)						
	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Accumulated Losses £	Total Equity £
Balance at 1 January 2021	52,688	65,710,297	2,850,571	(143,298)	(33,199,383)	35,270,875
Loss for the financial year	-	-	-	-	(10,972,472)	(10,972,472)
Other comprehensive loss for the year	-	-	-	(216,756)	-	(216,756)
Total comprehensive loss for the year	-	-	-	(216,756)	(10,972,472)	(11,189,228)
Proceeds from shares issued	2	44,369	-	-	-	44,371
Share based payments recognised as expense	-	-	814,954	-	-	814,954
Total transactions with shareholders recognised directly in equity	2	44,369	814,954	-	-	859,325
Balance as at 31 December 2021	52,690	65,754,666	3,665,525	(360,054)	(44,171,855)	24,940,972

Six months ended 30 June 2022

		Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Accumulated Losses £	Total Equity £
	Note						
Balance as at 1 January 2022		52,690	65,754,666	3,665,525	(360,054)	(44,171,855)	24,940,972
Loss for the period		-	-	-	-	(8,152,625)	(8,152,625)
Other comprehensive income for the period		-	-	-	276,856	-	276,856
Total comprehensive loss for the period		-	-	-	276,856	(8,152,625)	(7,875,769)
Share based payments recognised as expense		-	-	862,313	-	-	862,313
Total transactions with shareholders recognised directly in equity		-	-	862,313	-	-	862,313
Balance as at 30 June 2022		52,690	65,754,666	4,527,838	(83,198)	(52,324,480)	17,927,516

Condensed consolidated statement of cash flows for the six months ended 30 June 2022

	Note	Six months ended 30 June 2022 (unaudited) £	Six months ended 30 June 2021 (unaudited) £	Year ended 31 December 2021 (audited) £
Cash flow used in operating activities	8	(6,941,442)	(5,430,798)	(10,450,796)
Tax credit received		274,335	-	72,993
Taxation paid		(14,291)	(26,261)	(46,928)
Interest received		23,093	4,288	9,907
Lease interest paid		(18,622)	(3,275)	(10,768)
Net cash used in operating activities		(6,676,927)	(5,456,046)	(10,425,592)
Cash flow from investing activities				
Purchase of tangible assets		(42,462)	(55,133)	(159,250)
Proceeds from disposal of tangible assets		-	-	-
Net cash used in investing activities		(42,462)	(55,133)	(159,250)
Cash flow from financing activities				
Proceeds from issue of ordinary share capital (net of costs of issue)		-	44,371	44,371
Payment of lease liabilities		(67,636)	(190,486)	(379,711)
Net cash used in financing activities		(67,636)	(146,115)	(335,340)
Net decrease in cash and cash equivalents		(6,787,025)	(5,657,294)	(10,920,182)
Cash and cash equivalents at the beginning of the period / year		24,501,214	35,421,396	35,421,396
Cash and cash equivalents at the end of the period / year		17,714,189	29,764,102	24,501,214
Cash and cash equivalents consists of				
Cash at bank and in hand		17,714,189	29,764,102	24,501,214
Cash and cash equivalents		17,714,189	29,764,102	24,501,214

MIRRIAD ADVERTISING PLC

1 Basis of preparation

These condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2022 have been prepared in accordance with the UK-adopted International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021, which has been prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee ("IFRS IC") Interpretations in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under those standards.

These condensed interim consolidated financial statements for the six months ended 30 June 2022 and for the six months ended 30 June 2021 do not constitute statutory accounts as defined in Section 434 of the Companies Act and are unaudited. The financial information for the six months ended 30 June 2022 presents financial information for the consolidated Group, including the financial results of the Company's wholly owned subsidiaries Mirriad Advertising Private Limited, Mirriad Inc, Mirriad Software Science and Technology (Shanghai) Co. Ltd, and Mirriad Limited (dormant). Comparative figures in the condensed interim financial statements for the year ending 31 December 2021 have been taken from the Group's audited financial statements on which the Group's auditors, Pricewaterhouse Coopers LLP, expressed an unqualified opinion.

The Board approved these interim financial statements on 11 August 2022.

1.1 Going concern

These condensed interim financial statements have been prepared on the going concern basis, notwithstanding the Group having made a loss for the period of £8.15 million (June 2021: £5.91 million). The going concern basis assumes that the Group and Company will have sufficient funds available to continue to trade for the foreseeable future and not less than 12 months from the end of the financial period being reported.

The Directors have prepared financial forecasts including cash flow forecasts for the period until 31 December 2024 for the Group and the Company and these indicate that based on raising additional funding, they will have sufficient funds available to meet their debts and liabilities as they fall due. The base case forecast indicates that the Group and Company will require additional funds within 13 months of the date of approval of these condensed interim financial statements. Although the Directors believe it is unlikely that the Group and Company will require additional funds within 12 months of the date of approval of these condensed interim financial statements, in a more severe but possible downside scenario should there be unexpected incremental costs there is a risk that the Group and Company may require funds within the next 12 months. The Directors have the ability to control costs and mitigate the impact of any increase in costs, which principally relate to staff, by slowing expected hiring or flexing staff numbers. The Directors have previously raised funds in 2019 and 2020 and are confident that additional funding can be raised most likely through new equity, debt or customer contracts. As at the date of approval of these condensed interim financial statements this is not committed.

As such these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern. These

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condensed interim financial statements do not include the adjustments that would arise if the Group or Company were unable to continue as a going concern.

2 Accounting Policies

The accounting policies applied are consistent with those of the annual report and accounts for the year ended 31 December 2021, as described in those financial statements other than standards, amendments and interpretations which became effective after 1 January 2022 and were adopted by the Group. These have had no significant impact on the Group's loss for the period or equity.

Seasonality of Operations

Due to the seasonal nature of the US and UK advertising markets higher revenues are usually expected in the second half of the year than the first six months. In the financial year ended 31 December 2021, 30% of US revenues accumulated in the first half of the year, with 70% accumulating in the second half. For the UK Company 35% of revenues accumulated in the first half of 2021 and 65% in the second half.

There are no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence which are required to be disclosed under IAS 34 para 16A(c).

There are no events after the interim reporting period which are required to be reported under IAS 34 para 16A(h).

There are no financial instruments being measured at fair value which require disclosure under IAS 34 para 16A(j)

3 Group financial risk factors

The condensed interim financial statements do not contain all financial risk management information and disclosures required in annual financial statements; the information should be read in conjunction with the financial information, as at 31 December 2021, summarized in the 2021 annual report and accounts. There have been no significant changes in any risk management policies since 31 December 2021.

4 Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates. IAS34(16A)(d) In preparing these condensed 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 consolidated financial statements for the year ended 31 December 2021.

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There are no changes in estimates of amounts reported in prior financial years.

5 Segment information

Management mainly considers the business from a geographic perspective since the same services are effectively being sold in every Group entity. Therefore, regions considered for segmental reporting are where the Company and subsidiaries are based, namely the UK, the USA, India and China. The revenue is classified by where the sales were booked not by the geographic location of the customer.

In the current reporting period there is no income outside of the primary business activity. In the prior year there was income received from grants which was recognised in other operating income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The steering committee is made up of the Board of Directors. There are no sales between segments. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement.

The Parent company is domiciled in the United Kingdom. The amount of revenue from external customers by location of the Group billing entity is shown in the tables below.

Revenue

	Six months ended 30 June 2022 (unaudited) £	Six months ended 30 June 2021 (unaudited) £	Year ended 31 December 2021 (audited) £
Turnover by geography			
USA	418,035	266,440	884,248
China	119,747	819,727	981,164
UK	39,654	51,121	144,309
Total	577,436	1,137,288	2,009,721

Loss before tax

The EBITDA is the loss for the year before depreciation, amortisation, interest and tax. The loss before tax is broken down by segment as follows:

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	Six months ended 30 June 2022 (unaudited) £	Six months ended 30 June 2021 (unaudited) £	Year ended 31 December 2021 (audited) £
UK	(7,436,070)	(4,886,554)	(11,108,631)
USA	(129,500)	(946,497)	(19,812)
India	(321,693)	(301,783)	(572,662)
China	(312,332)	412,293	122,113
Total EBITDA	(8,199,595)	(5,722,541)	(11,578,992)
Depreciation	(250,801)	(220,845)	(440,390)
Finance income / (costs) net	4,471	1,013	(861)
Loss before tax	(8,445,925)	(5,942,373)	(12,020,243)

6 Loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss for the period / year by the weighted average number of ordinary shares in issue during the period / year. Potential ordinary shares are not treated as dilutive as the Group is loss making and such shares would be anti-dilutive.

Group	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Loss attributable to owners of the parent (£)	(8,152,625)	(5,911,424)	(10,972,472)
Weighted average number of ordinary shares in issue Number	279,180,808	279,001,638	279,091,959

The loss per share for the period was 3p (six months to 30 June 2021: 2p; year ended 31 December 2021: 4p).

No dividends were paid during the period (six months to 30 June 2021: £nil; year ended 31 December 2021: £nil).

(b) Diluted

Potential ordinary shares are not treated as dilutive as the Group is loss making and such shares would be anti-dilutive

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7 Share capital

Ordinary shares of £0.00001 each

Allotted and fully paid	Number
At 1 January 2022	279,180,808
Issued during the period	-
At 30 June 2022	279,180,808

No Ordinary Shares were issued during the period.

8 Net cash flows used in operating activities

	Six months ended 30 June 2022 (unaudited) £	Six months ended 30 June 2021 (unaudited) £	Year ended 31 December 2021 (audited) £
Loss for the financial period / year	(8,152,625)	(5,911,424)	(10,972,472)
Adjustments for:			
Tax on loss on ordinary activities	(293,300)	(30,949)	(1,047,771)
Interest income	(23,093)	(4,288)	(9,907)
Lease interest costs	18,622	3,275	10,768
Operating loss:	(8,450,396)	(5,943,386)	(12,019,382)
Amortisation of right-of-use assets	163,550	158,986	299,931
Depreciation of tangible assets	87,251	61,859	140,459
Bad debts (reversed) / written off	(3,732)	(524)	1,309
Share based payment charge	862,313	323,944	814,954
Adjustment to tax credit in respect of previous periods	-	-	(13,628)
Research and development expenditure credits	-	(6,351)	(27,066)
Foreign exchange variance	276,857	25,992	(216,756)
- Decrease / (increase) in debtors	562,374	(262,047)	(372,221)
- (Decrease) / increase in creditors	(439,659)	210,729	941,604
Cash flow used in operating activities	(6,941,442)	(5,430,798)	(10,450,796)

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9 Related party transactions

The Group is owned by a number of investors the largest being M&G Investment Management, which owns approximately 13% of the share capital of the Company. Accordingly there is no ultimate controlling party.

During the period the Company had the following related party transactions. No guarantees were given or received for any of these transactions.

IP2IPO Limited – a company which shares a parent company with IP2IPO Portfolio (GP) Limited, a major shareholder in the Group, and which also appoints a Director of the Group charged Mirriad Advertising plc for the following transactions during the period: (1) £10,000 for the services of Kelsey Lynn Skinner as a Director from 1 January 2022 until 23 June 2022. Of this amount £1,667 was invoiced and unpaid as at 30 June 2022. (2) £3,000 for the services of the Company Secretary for the period from 1 January 2022 until 31 March 2022.

Parkwalk Advisors Limited – a company which shares a parent company with IP2IPO Portfolio (GP) Limited, a major shareholder in the Group, and which also appoints a Director of the Group charged Mirriad Advertising plc for the following transactions during the period: (1) £10,000 for the services of Alastair Kilgour as a Director during the period. £1,667 of this amount was accrued and unpaid as at 30 June 2022.

All the related party transactions disclosed above were settled by 30 June 2022 except where stated.

10 Availability of Interim Report

Electronic copies of this interim financial report will be available on the Company's website at www.mirriadplc.com/investor-relations.

ENDS

About Mirriad

Mirriad's award-winning solution unleashes new revenue for content producers and distributors by creating new advertising inventory in content. Our patented, AI and computer vision technology dynamically inserts products and innovative signage formats after content is produced. Mirriad's market-first solution seamlessly integrates with existing subscription and advertising models, and dramatically improves the viewer experience by limiting commercial interruptions.

Mirriad currently operates in the US, Europe and China.