RNS Number : 5273Y
Mirriad Advertising PLC
10 September 2020

UNAUDITED INTERIM RESULTS

Mirriad Advertising plc

("Mirriad" or the "Group")

H1 Mirriad revenue improves as costs fall and drive towards adoption continues

Mirriad, the computer vision and AI platform company, today announces unaudited half-year results for the six months ended 30 June 2020.

Highlights:

Strategic Development

- Levels of commercial activity recover to record levels in China post initial impact from Covid-19 as advertiser demand increases
- Steadily increasing customer base in the US with new agreements with Condé Nast, Tastemade and Meredith Corporation and, post the period end, Fuse Media
- Significant increase in tier 1 US media company, client and agency engagement and new opportunities opening in adjacent markets, including music video, and in establishing direct relationships with content producers
- Appointment of new Global Chief Marketing Officer, Lianne Norry, in March 2020
- Successful transition to full remote working in all locations in response to Covid-19 pandemic

Financial

- Revenue increased by 109% to £897k (30 June 2019 £429k), despite the impact of Covid-19, as the Group continues to deliver against its strategy
- Cash and cash equivalents of £14.4m (30 June 2019 £9.2m), up 57% following the 2019 fundraise, net of trading losses. Gross cash balance at end August 2020 is £13.3m.
- Cash consumption significantly reduced to £4.5m (30 June 2019 £5.9m), down 24%, through proactive cost management while the volume of activity increased
- Reduced operating loss of £4.9m (30 June 2019 a loss of £7.2m), down 32% on increased revenue and demonstrating the positive impact of 2019's restructuring
- Loss per share 2p (30 June 2019 7p)

Our key performance indicators

	Revenue		Cash consumption		Customers under contract	
	£000k	**%**	**£000k**	**%**	**No.**	**%**
6 months to June 2020	897	+109%	4,487	-24%	16	+78%
6 months to June 2019	429	+258%	5,917	-5%	9	No change
6 months to June 2018	120		6,222		9	

Stephan Beringer, Chief Executive Officer of Mirriad, said:

"We have made significant progress in increasing revenue and driving adoption among our top-tier partners, despite the challenging macroeconomic conditions which have had a negative impact on demand for advertising and disrupted the production of new content. The improved revenue picture is supplemented with positive news from our work to reduce the company's operating loss. We have been able to respond to the Covid-19 headwinds effectively thanks to the efforts of our team, the strong relationships with partners, and a relentless focus on the execution of our strategy and the fundamental effectiveness of our technology.

"In China, June was the busiest month for brand campaigns carried since our operations began, building on positive numbers recorded in April and May, as confidence tentatively improves in the country post lockdown. Our positive experience with key partner Tencent in this market shows how Mirriad insertions can become integral pieces of the advertising and media mix, swiftly driving new levels of success and scale for advertisers and content partners alike.

"Looking ahead to the second half of the year, we are focusing on the areas that offer the best routes to adoption and scale. We expect to further expand our footprint with new and existing broadcast, VOD and streaming partners, and build on successful forays into new markets, such as music video content. This will be guided by the fact that audiences actively prefer our format, and that we are able to open up entirely new opportunities and revenue streams for advertisers and creators - a reality that is more important than ever in the current climate. Furthermore, while the macro-economic headwinds linked to Covid-19 are likely to remain in place, at least for the near term, we are pleased to see the business continuing to trade in line with our expectations and, should the current trends within the business continue during the second half of the year, we are cautiously optimistic of achieving our full year expectations."

For further information please visit www.mirriad.com, or contact:

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Chairman's Statement

The positive signs reported in these interim results clearly demonstrate Mirriad's unique ability to capitalise on the new opportunities offered by the rapidly-changing advertising landscape. As well as the increase in revenue, the company's cost base has been carefully controlled as part of the strategy implemented in 2019, resulting in a stronger cash position than previously anticipated. Our focused global footprint has enabled us to ride out the individual market challenges posed by recent events, and I am confident the Group is in a strong and well placed position for the future.

We are in the process of navigating a period of unprecedented global economic and social uncertainty as a result of the Covid-19 pandemic. Thanks to the tireless efforts of Mirriad's staff and management, in many cases reacting swiftly and creatively to changed working conditions, we have been able to deliver the expected increase in revenue, despite these unexpected macroeconomic headwinds. This agility will continue to be the norm as we continue to carefully monitor and respond to the ongoing impacts of the pandemic to ensure Mirriad remains in a robust position for the future.

The pandemic has also amplified existing industry trends, with clear increases in consumer streaming and ad skipping bringing Mirriad's core proposition into sharp focus with continued consumer aversion to interruption. On top of this, agencies are under more pressure than ever to defend their value propositions and deliver solutions that secure reach, impact and ROI. The resulting momentum that is building behind the adoption of Mirriad's solution shows our unique technology addresses the fundamental challenges faced by the industry.

Research has proven that viewers prefer Mirriad's non-intrusive format, and that it also drives brand awareness, favourability and consideration - all vital factors in a market that is under intense scrutiny in terms of value.

We remain in uncertain times however I am very confident that Mirriad has the technology, the team and the global footprint to continue building upon on the recent progress made in revenue growth, adoption and effectively managing the business through this disruption. While the effects from the continued macroeconomic uncertainty look like they will remain at least in the near term, we remain cautiously optimistic for the future.

John Pearson

Non-executive Chairman

10 September 2020

Chief Executive's Statement

2020 has so far been defined by our resilience and our focus on driving adoption of Mirriad's award winning technology. With significant increases in revenue, reduced costs and true momentum behind us, it is the time to further accelerate our efforts to attract ever more interest from leading broadcasters, advertisers and content creators.

Our strategy now is to focus on three key objectives that will support Mirriad in addressing the full potential of the opportunity ahead:

1. **expand** - our global footprint, drive adoption and exploit new sources of content, providing greater inventory and scale.
2. **extend** - our business model to include a direct-to-advertiser/agency marketplace approach, accelerated with industry partnerships and alliances that allow us to leverage third party distribution and buying power.
3. **establish** - Mirriad as the leader in next generation brand and advertising experiences, powered by ground-breaking technology and innovation.

This targeted approach is building on the momentum created to date and we are currently in talks or negotiations with a large number of global entertainment platforms, new categories of content partner, brand advertisers and their agencies.

In China, our partnership with Tencent continues to go from strength to strength and the ability to integrate our API with their systems is a tangible demonstration of how Mirriad can become a 'line item' in the advertising sales process. In-video advertising powered by Mirriad has become an integrated part of Tencent's offer, connecting our technology with other solutions - a vital step in achieving true scalability.

Elsewhere, discussions that had been delayed by Covid-19 in the US, UK, Germany and France are now restarting as economic activity slowly begins to return. In the US, we have signed agreements with Condé Nast, one of the world's outstanding video and digital brands, and Tastemade, the global media company, whose food, home and travel content reaches 250 million monthly active viewers. As a result, we have run campaigns with brands such as P&G, demonstrating not only the scale but the trust our partners are building in our technology. We are looking forward to continuing our steady path to broad market adoption and more activity as the market begins to open up.

More recently, our cinematic hinterland has opened up a series of exciting creative avenues for Mirriad, as evidenced by our new agreements with ZigZag Productions and B-Unique Records. This includes our work on the striking music video for Kodaline's *Say Something* which underlines how Mirriad can deliver creative activations in a short time frame, to the benefit of the content producer and viewer alike. It also demonstrates how our technology can be used beyond normal broadcast content to bring creativity to life within the music video market, creating new revenue streams for artists, and new opportunities for Mirriad insertions.

We have also made progress in the important task of telling our story to investors. We have addressed the issue of a lack of research in the market by appointing Canaccord Genuity Limited as our retained nominated adviser and broker, as well as working with Edison Research to deliver vital insight for investors.

With the rapidly evolving marketplace, the breadth of exciting opportunities available to Mirriad continues to grow. The Group will use this time to accelerate its progress with key partners and potential partners even more swiftly to further cement its leadership position in the marketplace.

Stephan Beringer

Chief Executive

10 September 2020

Finance review

Current period results

Revenues increased substantially year on year, with revenue for H1 growing by 109% to £897k (30 June 2019 £429k), continuing the trend established in the 2019 full year results. This was despite the impact of Covid-19 which has slowed the advertising market around the world, including in China. Mirriad was not immune to these macroeconomic headwinds, however the Group has remained well positioned during this period of uncertainty due in part to its established 24-month contract with Tencent in China which includes a guaranteed minimum monthly revenue. In return, Mirriad provides its technology and operational services on an exclusive basis within China. So, although the overall advertising market has also slowed in China, the impact for Mirriad has been mitigated by this contract. That having been said, there were positive signs of recovery in China, with Tencent and Mirriad seeing the highest ever level of advertising activity using the Company's technology in June 2020, as a result of a Tencent sales push.

In Europe and the US, we have generally seen a softening in activity, although we have successfully signed 4 new supply partners in the US: Condé Nast, Tastemade, Meredith Corporation and Fuse Media. Though US revenues continue to be modest as partners begin to exploit the new solution and proposition, there was a year on year revenue increase of 125% to £62k. Revenue in Europe remains low despite signing new partners as TV production schedules have been, and continue to be, disrupted by Covid-19, but there are now signs of activity returning.

Gross margin for the period increased by 129% to £803k (30 June 2019: £351k) as the volume of activity increased substantially while costs were carefully managed.

The Group's operating loss decreased significantly to £4,891k (30 June 2019: £7,179k). Administrative expenses showed a meaningful reduction of 24% to £5,766k (30 June 2019: £7,555k) as the benefits from the Group's 2019 restructuring took effect. This was coupled with further reductions in costs enacted as a result of Covid-19 which has reduced travel expenditure considerably, reduced some office rental payments and resulted in the deferral of some market research projects. The Group also benefited from payroll support measures implemented by the US Federal government as a result of Covid-19.

At the half year 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 2020 total expenditure on research and development increased marginally in absolute terms to £1,220k (30 June 2019: £1,137k) and now represents almost 25% of administrative costs.

As a result of the increased revenue and reduced operating costs, operating loss reduced by 32% to £4,891k (30 June 2019: £7,179k).

The loss for the period before tax also decreased by 32% to £4,876k (30 June 2019: £7,181k) in line with the decrease 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 2020 is £34k (30 June 2019 £40k).

Earnings per share

As a result of the improvements noted above and the increase in the Company's issued share capital, earnings per share were a loss of 2 pence per share (30 June 2019: loss of 7 pence per share). This calculation is based on the weighted average number of shares in issue during the period and takes into account the decrease in operating loss noted above.

Dividend

No dividend has been proposed for the period ended 30 June 2020 (30 June 2019: £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 reduced by 24% to £4,487k (30 June 2019: £5,917k) as revenue increased and the Group completed its restructuring. During the period no development costs were capitalised (30 June 2019: £nil). The Group also incurred £9k (30 June 2019: £28k) of capital expenditure on tangible assets.

No shares were issued in the period (30 June 2019 £nil).

Balance sheet

The Group has a debt-free balance sheet. Net assets increased by 68% to £14,341k (30 June 2018: £8,531k) following the fundraise in August 2019 net of the cash used to fund the Group's ongoing operations. Cash and cash equivalents at 30 June 2020 were £14,428k (30 June 2019: £9,166k).

Accounting policies

The Group's consolidated financial information has been prepared in accordance with IFRS as adopted in the EU.

David Dorans

Chief Financial Officer

10 September 2020

Company Information

Directors **John Pearson** Chairman **Stephan Beringer** Chief Executive Officer **David Dorans** Chief Financial Officer **Alastair Kilgour** Non-Executive Director **Dr Mark Reilly** Non-Executive Director **Bob Head** Non-Executive Director	**Independent Auditors** PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Road Reading RG1 3JH **Solicitors** Osborne Clarke LLP 6th Floor One London Wall London EC2Y 5EB
Company registration number 09550311	**Company Secretary** Hannah Coote
Registered Office 6th Floor One London Wall London EC2Y 5EB	**Nominated Adviser & Broker** Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Company website www.mirriad.com	**Financial PR** Charlotte Street Partners Limited

	16 Alva Street Edinburgh EH2 4QG
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Consolidated statement of profit or loss and statement of comprehensive income for the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
Revenue	4	896,714	429,067	1,139,538
Cost of Sales		(93,783)	(77,719)	(178,091)
Gross Profit		**802,931**	**351,348**	**961,447**
Administrative expenses		(5,766,379)	(7,554,771)	(13,159,812)
Other operating Income		72,831	24,421	24,421
Operating Loss		**(4,890,617)**	**(7,179,002)**	**(12,173,944)**
Finance Income		27,880	14,773	46,436
Finance costs		(12,886)	(17,264)	(23,627)
Finance income / (costs) net		14,994	(2,491)	22,809
Loss before income tax		**(4,875,623)**	**(7,181,493)**	**(12,151,135)**
Income tax credit		34,355	40,129	56,231
Loss for the period / year		**(4,841,268)**	**(7,141,364)**	**(12,094,904)**
Loss per ordinary share - basic	5	**(2p)**	**(7p)**	**(8p)**

All activities are classified as continuing.

	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
Loss for the financial period / year	(4,841,268)	(7,141,364)	(12,094,904)
Other comprehensive (loss) / income			
Items that may be reclassified to profit or loss:			

Exchange differences on translation of foreign operations	(200,450)	(24,642)	136,179
Total comprehensive loss for the period / year	(5,041,718)	(7,166,006)	(11,958,725)

Consolidated balance sheet
At 30 June 2020

	Note	**As at 30 June 2020 (unaudited) £**	**As at 30 June 2019 (unaudited) £**	**As at 31 December 2019 (audited) £**
Assets				
Non-current assets:				
Property, plant and equipment		863,727	1,043,004	912,983
Intangible assets		-	-	-
Trade and other receivables		213,964	210,439	212,143
		1,077,691	1,253,443	1,125,126
Current assets				
Trade and other receivables		1,511,856	992,481	1,024,996
Other current assets		111,110	119,123	76,754
Cash and cash equivalents		14,427,938	9,166,343	19,091,613
		16,050,904	10,277,947	20,193,363
Total assets		**17,128,595**	**11,531,390**	**21,318,489**
Liabilities				
Non-current liabilities				
Lease liabilities		360,235	575,756	423,328
		360,235	**575,756**	**423,328**
Current liabilities				
Trade and other payables		1,994,651	2,083,712	1,297,624
Lease liabilities		409,660	324,724	373,227
Current tax liabilities		23,063	16,023	24,809
		2,427,374	**2,424.459**	**1,695,660**
Total liabilities		**2,787,609**	**3,000,215**	**2,118,988**
Net Assets		**14,340,986**	**8,531,175**	**19,199,501**
Equity and Liabilities				
Equity attributable to owners of the parent				
Share capital	6	52,029	50,949	52,029
Share premium		40,932,183	25,643,192	40,932,183
Share based payment reserve		2,684,147	2,318,157	2,500,944
Retranslation reserve		(343,102)	(303,473)	(142,652)
Accumulated losses		(28,984,271)	(19,177,650)	(24,143,003)
Total equity		**14,340,986**	**8,531,175**	**19,199,501**

Consolidated statement of changes in equity
For the six months ended 30 June 2020

	Six months ended 30 June 2019						
	Note	**Share Capital £**	**Share Premium £**	**Share based payment reserve £**	**Retranslation reserve £**	**Accumulated Losses £**	**Total Equity £**
Balance as at 1 January 2019 as previously reported		50,949	25,643,192	2,141,094	(278,831)	(11,979,701)	15,576,703
Adjustment on adoption of IFRS 16 (net of tax)		-	-	-	-	(56,585)	(56,585)

Adjusted balances at 1 January 2019	50,949	25,643,192	2,141,094	(278,831)	(12,036,286)	15,520,118
Loss for the period	-	-	-	-	(7,141,364)	(7,141,364)
Other comprehensive loss for the period	-	-	-	(24,642)	-	(24,642)
Total comprehensive loss for the period	-	-	-	(24,642)	(7,141,364)	(7,166,006)
Share based payments recognised as expense	-	-	177,063	-	-	177,063
Total transactions with shareholders recognised directly in equity	-	-	177,063	-	-	177,063
Balance as at 30 June 2019	**50,949**	**25,643,192**	**2,318,157**	**(303,473)**	**(19,177,650)**	**8,531,175**

	Year ended 31 December 2019 (audited)					
	Share Capital £	**Share Premium £**	**Share based payment reserve £**	**Retranslation reserve £**	**Accumulated Losses £**	**Total Equity £**
Balance as at 31 December 2018 as originally presented	50,949	25,643,192	2,141,094	(278,831)	(11,979,701)	15,576,703
Adjustment on adoption of IFRS 16 (net of tax)	-	-	-	-	(68,398)	(68,398)
Balance at 1 January 2019	50,949	25,643,192	2,141,094	(278,831)	(12,048,099)	15,508,305
Loss for the financial year	-	-	-	-	(12,094,904)	(12,094,904)
Other comprehensive income for the year	-	-	-	136,179	-	136,179
Total comprehensive loss for the year	-	-	-	136,179	(12,094,904)	(11,958,725)
Proceeds from shares issued	1,080	16,196,750	-	-	-	16,197,830
Share issue costs	-	(907,759)	-	-	-	(907,759)
Share based payments recognised as expense	-	-	359,850	-	-	359,850
Total transactions with shareholders recognised directly in equity	1,080	15,288,991	359,850	-	-	15,649,921
Balance as at 31 December 2019	**52,029**	**40,932,183**	**2,500,944**	**(142,652)**	**(24,143,003)**	**19,199,501**

	Six months ended 30 June 2020						
	Note	**Share Capital £**	**Share Premium £**	**Share based payment reserve £**	**Retranslation reserve £**	**Accumulated Losses £**	**Total Equity £**
Balance as at 1 January 2020		52,029	40,932,183	2,500,944	(142,652)	(24,143,003)	19,199,501
Loss for the period		-	-	-	-	(4,841,268)	(4,841,268)
Other							

comprehensive loss for the period	-	-	-	(200,450)	-	(200,450)
Total comprehensive loss for the period	-	-	-	(200,450)	(4,841,268)	(5,041,718)
Share based payments recognised as expense	-	-	183,203	-	-	183,203
Total transactions with shareholders recognised directly in equity	-	-	183,203	-	-	183,203
Balance as at 30 June 2020	**52,029**	**40,932,183**	**2,684,147**	**(343,102)**	**(28,984,271)**	**14,340,986**

Consolidated statement of cash flows for the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
Net cash from operating activities	7	(4,493,714)	(6,096,021)	(11,222,098)
Tax credit received		-	209,015	291,502
Taxation paid		-	-	(43,288)
Interest received		27,880	14,773	46,436
Interest paid		(12,886)	(17,264)	(23,627)
Net cash used in operating activities		**(4,478,720)**	**(5,889,497)**	**(10,951,075)**
Cash flow from investing activities				
Purchase of tangible assets		(8,788)	(27,995)	(62,484)
Proceeds from disposal of tangible assets		100	-	236
Net cash used in investing activities		(8,688)	(27,995)	(62,248)
Cash flow from financing activities				
Proceeds from issue of ordinary share capital (net of costs of issue)		-	-	15,290,071
Payment of lease liabilities		(176,267)	(120,085)	(389,055)
Net cash generated from financing activities		(176,267)	(120,085)	14,901,016
Net (decrease) / increase in cash and cash equivalents		(4,663,675)	(6,037,577)	3,887,693
Cash and cash equivalents at the beginning of the period / year		19,091,613	15,203,920	15,203,920
Cash and cash equivalents at the end of the period / year		**14,427,938**	**9,166,343**	**19,091,613**

Cash and cash equivalents consists of			
Cash at bank and in hand	14,427,938	9,166,343	19,091,613
Cash and cash equivalents	**14,427,938**	**9,166,343**	**19,091,613**

1 Basis of preparation

The condensed and consolidated interim financial statements of Mirriad Advertising plc for the period ended 30 June 2020 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34").

These condensed interim consolidated financial statements for the six months ended 30 June 2020 and for the six months ended 30 June 2019 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 2020 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 (Singapore) Pte. Ltd, 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 2019 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 10 September 2020.

1.1 Going concern

These condensed interim financial statements have been prepared on the going concern basis. After making enquiries and producing cash flow forecasts the directors have reasonable expectations, as at the date of approving these condensed interim financial statements, that the Group has adequate resources to fund the Group for 12 months from the end of financial period being reported. The Group's cash holding at 31 August 2020 was £13.3m and the Directors disclosed that the Group's cash burn continues to be not more than £1m per month and is anticipated to gradually improve with increased revenues. On the basis of the Group's internal forecasts the Directors believe that the Group has sufficient cash resources to fund its activities until the end of the third quarter 2021 at which point it may require additional cash resources depending on the rate of increase in revenue.

2 Accounting Policies

The accounting policies applied are consistent with those of the annual report and accounts for the year ended 31 December 2019, as described in those financial statements other than standards, amendments and interpretations which became effective after 1 January 2020 and were adopted by the Group. These have had no significant impact on the Group's loss for the period or equity.

The Group's activities and results are not exposed to any seasonality.

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 2019, summarized in the 2019 annual report and accounts. There have been no significant changes in any risk management policies since 31 December 2019.

4 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 Singapore office was closed in early 2020. The revenue is classified by where the sales were booked not by the geographic location of the customer. For this reporting purpose the Singapore and China entities were considered together.

The only income outside of the primary business activity relates to income received from grants which is 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 2020 (unaudited) £	**Six months ended 30 June 2019 (unaudited) £**	**Year ended 31 December 2019 (audited) £**
Turnover by geography			
China and Singapore	763,515	267,989	776,115
UK	71,467	69,749	139,735
USA	61,732	27,422	160,432
India	-	39,200	38,549
Brazil	-	24,707	24,707
Total	**896,714**	**429,067**	**1,139,538**

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:

	Six months ended 30 June 2020 (unaudited) £	Six months ended 30 June 2019 (unaudited) £	Year ended 31 December 2019 (audited) £
UK	(4,011,192)	(4,672,391)	(8,261,267)
USA	(700,544)	(1,307,718)	(1,970,752)
India	(373,973)	(313,731)	(502,768)
China and Singapore	428,018	(273,008)	(409,365)
Brazil	-	(236,228)	(361,328)
Total EBITDA	**(4,657,691)**	**(6,803,076)**	**(11,505,480)**
Depreciation	(232,926)	(205,873)	(498,411)
Amortisation	-	(170,053)	(170,053)
Finance (costs) / income net	14,994	(2,491)	22,809
Loss before tax	**(4,875,623)**	**(7,181,493)**	**(12,151,135)**

5 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 2020**	**Six months ended 30 June 2019**	**Year ended 31 December 2019**
Loss attributable to owners of the parent (**£**)	(4,841,268)	(7,141,364)	(12,094,904)
Weighted average number of ordinary shares in issue **Number**	213,108,250	105,122,717	150,165,094

The loss per share for the period was 2p (six months to 30 June 2019: 7p; year ended 31 December 2019: 8p).

No dividends were paid during the period (six months to 30 June 2019: £nil; year ended 31 December 2019: £nil).

(b) Diluted

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

6 Share capital

Ordinary shares of £0.00001 each

Allotted and fully paid	**Number**
At 1 January 2020	213,108,250
Issued during the period	-
At 30 June 2020	213,108,250

No shares were issued during the period.

7 Net cash flows used in operating activities

	Six months ended 30 June 2020 (unaudited) £	**Six months ended 30 June 2019 (unaudited) £**	**Year ended 31 December 2019 (audited) £**
Loss for the financial period / year	(4,841,268)	(7,141,364)	(12,094,904)

Adjustments for:

Tax on loss on ordinary activities	(34,355)	(40,129)	(56,231)
Interest income	(27,880)	(14,773)	(46,436)
Lease interest costs	12,886	17,264	23,627
Operating loss:	(4,890,617)	(7,179,002)	(12,173,944)
Amortisation and impairment of intangible assets	-	170,053	170,053
Depreciation of tangible assets	232,926	205,873	498,411
Loss / (profit) on disposal of tangible assets	(90)	15,453	16,067
Bad debts written off	18,734	625	3,859
Share based payment charge	183,203	177,063	359,850
Adjustment to tax credit in respect of previous periods	-	-	4,286
Foreign exchange variance	(200,450)	(4,300)	136,179
- (Increase)/ decrease in debtors	(511,274)	125,412	(101,350)
- Increase / (decrease) in creditors	673,854	392,802	(135,509)
Cash flow used in operating activities	**(4,493,714)**	**(6,096,021)**	**(11,222,098)**

8 Related party transactions

The Group is owned by a number of investors the largest being IP2IPO Portfolio (GP) Limited (as general partner for IP2IPO Portfolio L.P) who owns approximately 16% 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 which were carried out at arm's length. 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 Dr. Mark Reilly as a Director during the period. Of this amount, £1,667 was invoiced and unpaid at the period end, and was subsequently paid on 15 July 2020. (2) £6,000 for the services of the Company Secretary during the period. £3,000 of this amount was invoiced and unpaid as at 30 June 2020, and subsequently paid on 15th July 2020; and (3) £206 for travel costs related to Dr. Mark Reilly, all of which were fully paid by 30 June 2020.

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 2020 but was subsequently paid on 15 July 2020.

9 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.

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