Mirriad Advertising plc

UNAUDITED INTERIM RESULTS

27 September 2018

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

Mirriad builds foundations for long-term revenue growth

Mirriad, a video technology company delivering in-video advertising announces unaudited half-year results for the six months ended 30 June 2018

Highlights

Operational

- The Group continues to focus on large scale distribution partners
- New media owner contracts signed with NBCU in the US and El Cartel Media (RTL II) in Germany, with further contracts in some of the world's leading advertising markets currently under development
- Contract renewed with Youku/Alibaba on non-exclusive basis
- Contract renewed with Star India, part of the Fox group, in March 2018 as part of a significant new initiative in India
- Launch of the new strategic In-Video Ad Unit and release of white paper citing validation by comScore US and Miaozhen Systems China
- Delivery of proprietary Marketplace technology and deployed for successful campaigns with key customers such as Globosat, Star and Youku
- Tencent contract announced shortly after period end on 26 July
- Stephan Beringer appointed new Chief Executive Officer (see separate announcement issued 27 September 2018), post period-end

Financial

- Revenue £120k (30 June 2017 £352k) as the Group focuses on development of technology and building long term Marketplace partnerships
- Cash and cash equivalents £22.1m (30 June 2017 £5.8m)
- Cash consumption £6,222k (30 June 2017 £4,551k) as the Group built out operations in its five target markets
- Operating loss of £6,652k (30 June 2017 £4,905k) in line with management expectations
- Loss per share 6p (30 June 2017 9p)
- An additional c£2m in new capital was raised from Puhua at 62p per share in April 2018

Commenting on the results, Roger Faxon, Chairman of Mirriad said:

"Since the company's IPO in December, Mirriad has accelerated on its commitment to drive scale through developing key long-term distribution partnerships and integrating the company's proprietary platform into the operations of those key players. The team has performed strongly, building a compelling foundation from which Mirriad can now grow.

With the fundamentals in place, we now must focus on delivering operational excellence in our drive to build revenue. To lead this next phase, we are appointing Stephan Beringer as CEO, who we believe will be a transformative leader. He is a highly experienced executive who has grown businesses at the nexus of media, technology and advertising, and he understands this market incredibly well. With Stephan on board, working with the Mirriad team, we are confident that the company is now ready to fulfil its considerable promise over the coming years."

ABOUT MIRRIAD

Mirriad is a video technology company delivering in-video advertising by naturally blending brand advertising into popular entertainment content.

Mirriad creates advertising opportunities within existing video content across multiple shows. Advertisers can reach target audiences in a contextually relevant way without interrupting the viewing experience. The new ad format can be used alone or combined with other media and is aligned with existing media trading.

Mirriad is headquartered in London, with offices in the leading advertising markets in the world: New York, Mumbai, Shanghai and São Paulo.

Enquiries:

Mirriad Advertising plc David Dorans, Chief Financial Officer	Tel: +44 (0)207 884 2530
Numis Securities Limited **(Nominated Adviser & Broker)** Nick Westlake (Nomad) Michael Wharton James Black	Tel: +44 (0) 207 260 1200
Hudson Sandler LLP **(Financial Public Relations)** Daniel de Belder Bertie Berger	Tel: +44 (0) 20 7796 4133

Chairman's Statement

This has been an important period of foundation building for Mirriad, and one that has seen us make significant progress as we build towards delivering an entirely new form of advertising to the market. Our proposition works – we have seen that time and time again in pilot projects around the world. However, it has been difficult to put in place the processes and infrastructure to deliver on that promise at scale. The IPO in December of last year finally gave us the resources to do just that.

Over these last six months, we have used our resources to build a team capable of driving outcomes across all cultures and geographies. At the same time, we have developed and integrated a powerful technology platform ('MarketPlace') into our key partners, to empower them to deliver increasing volumes of in-video advertisements. And, importantly, we have continued to enhance our proposition with the introduction of the first of its kind 'Ad Unit' to assure the liquidity of this new market.

This preparatory work is now largely complete, and puts us and our partners in the position to drive demand with the most important advertisers across the globe. Our day-to-day focus will now be on energetically employing our tools and resources to help our partners deliver an ever increasing flow of revenue. The nature of the advertising business is such that it will take some time to see customer contracts translate into revenue, but I am confident that we are now in a position to drive demand in a meaningful way. That effort has already begun, but we can and will push forward more aggressively in order to drive long-term value for all stakeholders.

Roger Conant Faxon
Non-executive Chairman
27 September 2018

Chief Executive's Statement

The first half of the year has seen us place significant focus on strategizing and building the systems and processes that will enable our key distribution partners to launch our advertising products at scale in the world's leading advertising markets. This has required a shift away from short-term revenue opportunities in order that we put all of our attention on building a sustainable model that can grow for the long-term. This strategic decision is reflected in our revenue numbers for the first six months of the year. However, now that those foundations have largely been built, Mirriad is in a strong position to switch resources to accelerating demand from this pioneering technology and driving sales and revenue for the long-term.

The company has made strong operational progress in the first half of the year, having delivered the Marketplace technology that will enable us to monetize content and audiences. The platform is an industry first, which will have a significant impact on our ability to deliver our advertising solutions at scale.

Also critical to the growth of our product is the development of the In-Video Ad Unit that enables customers, media buyers and advertisers to buy Mirriad-powered advertising in the same way that they buy spot advertising or pre/mid-roll advertising today. Using advanced AI technology to analyse video content, Mirriad's Ad Units are delivered at a consistent level of viewability and effectively create a new advertising currency, essential for transactions at scale. The data behind the Ad Unit is auditable by third parties and designed to comply with advertiser demands for value for money, brand safety, reliability, transparency and provision of meaningful insights and effectiveness. This is a major industry achievement, and Mirriad will continue to enhance this by working with additional credible partners going forward.

For the second half of the year, we are focusing on increasing inventory levels to the demand side of the industry with an end-to-end platform. This will bring together a broad range of technologies into a combined experience essential to drive adoption and scalability. As we continue to drive towards meaningful revenue growth, we have initiated demand creation programs in all of our key markets, with a view to boosting awareness and adoption amongst advertisers.

Around the world, we are already seeing significant progress as we move into deployment. In Brazil, we have significantly increased the inventory levels, and while we are at an early stage to see significant revenue, brand demand has been strong and we are seeing repeat business in this market with clients such as Ford. The USA and Europe (revenues shown as UK in the segmental analysis) are at earlier stages of development, in part due to Europe's late entry into the brand integration market following deregulation only in the last few years as compared to the rest of the world which has been integrating brands into content for many decades. In the USA we have appointed a new Executive Vice President and have our first signed order with Univision. In Europe we have announced a new contract with RTL II in Germany and are currently in discussion with a major European commercial broadcaster about a potential partnership.

We have continued to make progress in China in the first half of the year and saw very positive marketing effectiveness research following the successful Tangeche campaign which was fully delivered by the end of January 2018. While subsequent growth has been slower than planned, the medium-term outlook has improved dramatically with our deal with video distribution partner Tencent, our second large partner in the territory with whom we announced a deal in July this year. Tencent is a giant in the entertainment space, and leads the market in music, film, video and gaming. We are now implementing a dynamic In-Video ad serving capability together with Tencent R&D, with a view to enabling maximum possible scale and ease of operation. In the medium term we believe that the introduction of competition into our development of the Chinese market will accelerate the development of this key region for our product.

In India, we signed a contract with Star (a Fox company) as part of a wider initiative to connect broadcaster inventory to demand side buyers. We are now at advanced stages of developing a more integrated model for business in India, with the active involvement of advertising and media buying agencies as well as content owners. This is a substantial initiative which has taken time to implement but promises to become a strong reference for the In-Video advertising model, with the Mirriad platform taking centre stage in one of the world's fastest growing markets.

Outlook

With the launch and roll out of Marketplace and the development of a meaningful currency in the form of a configurable, verifiable Ad Unit, the company is in a strong position to drive revenues. Driving acceptance of, and demand for, the product takes some time, and the buying patterns of the advertising industry through mechanisms such as upfronts means that there will be a staged ramping-up in revenue generation over a period of time. Nevertheless, we remain convinced of the demand for our product, which enables advertisers to reach their target audiences in a contextually relevant way without interrupting the viewing experience. Our technical and operational capabilities are in place, the content supply chain is secured, advertisers are able to access Mirriad's premium inventory, and we have consistently proven the effectiveness of our advertising approach. The completion of our end-to-end platform coupled with the demand creation activity currently underway will create new levels of liquidity in inventory, and a reliable growing revenue stream from each of our key markets as a result. The market potential is significant and our technology will allow the Group to scale revenue over time. We expect to see the first fruits of that strategy building in late 2018 and into early 2019.

Mark Sabin Tadeusz Popkiewicz
Chief Executive Officer
27 September 2018

Finance review

Following Mirriad's admission to AIM, the Group has been investing the proceeds of the IPO against the plan outlined to investors during that process. In April 2018 the Group raised an additional £1.9m, net of fundraising costs, from Jinhua Puhua Tianqin Equity Investment Fund Partnership ("Puhua") at the same price as the IPO. In the first six months of 2018, the Group has also been negotiating with a number of existing and prospective clients. This resulted in the Group announcing new contracts with NBCU in the US, El Cartel Media in Germany and Tencent in China. The Directors continue to caution that sales cycles are long and signature of customer contracts, while an important KPI, does not immediately lead to future revenue.

Current period results

The results cover a period where the Group has been focused on the implementation of systems and processes rather than revenue. As a result, revenue for the period decreased to £120k (30 June 2017: £352k) as a result of contract renegotiations and development of a new business model in China and India. Revenue from Asia was £66k in the period compared to £249k in the comparable period in 2017. Revenues in the USA and Europe (shown under the UK heading) continued to be low level and sporadic as we develop those markets. Our business in Brazil has shown steady growth, albeit on low campaign values, generating revenue of £33k in the first six months of 2018 (there was no revenue in the comparable period in 2017 as the first campaigns in Brazil came in the second half of 2017). As a result of the reduced revenue, gross margin also reduced to £54k (30 June 2017: £255k). The cost of sale is staff-based and therefore fixed at low levels of revenue. Operating loss increased to £6,652k (30 June 2017: £4,905k) as the Group used the proceeds from the IPO to hire staff in its operational markets. As previously noted the Group's principal cost is staff and its Administrative expenses increased to £6,783k (30 June 2017: £5,160k) as the Group continued to expand staff in its local offices and invest in its technology team. The loss for the period before tax increased to £6,644k (30 June 2017: £4,905k) as a result of this expansion in headcount.

As disclosed in the notes to the Group's 2017 Financial Statements, and in accordance with the requirements of IAS 38, qualifying development expenditure is capitalised and amortised over the estimated useful life of the developed assets. Total expenditure on research and development, prior to capitalisation, was £1,109k (30 June 2017: £929k). In the current period, £410k has been capitalised (30 June 2017: £367k).

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. The amount receivable for the period ended 30 June 2018 is lower than that related to the comparable period in 2017 as the Group also received grant income (shown as other operating income) and some of its technology staff costs were applied to that grant and therefore not eligible for R&D tax credit. Overall the Group was economically advantaged as a result of the combination of grant income and tax credit compared to the comparable period in 2017.

Earnings per share

As a result of the investment notes above earnings per share were a loss of 6 pence per share (30 June 2017: loss of 9 pence per share). This was due to the increased staff costs over the period, offset by the increase in share capital as a result of the IPO in December 2017. This calculation is based on the weighted average number of shares in issue during the period and takes into account the new shares issued to Puhua at the end of April 2018.

Dividend

No dividend has been proposed for the period ended 30 June 2018 (30 June 2017: £nil).

Cash flow

Net cash used in operations during the period was £5,768k (30 June 2017: £4,131k) as headcount increased over the year. During the period £410k (30 June 2017: £367k) of development costs were capitalised. The Group also incurred £44k (30 June 2017: £55k) of capital expenditure on tangible assets. Net proceeds from the issue of shares to Puhua in April 2018 totalled £1,929k (£nil in the comparative period). Cash consumed by the business has increased every year since 2015 as the Group has increased headcount and opened subsidiaries in its target markets.

Balance sheet

The Group has a debt-free balance sheet. As a result of funds raised at the IPO and the subsequent share issue to Puhua less the investment in developing the business in the first six months of 2018, Net Assets increased to £23.4m (30 June 2017: £7.6m). Cash and cash equivalents at 30 June 2018 was £22.1m (30 June 2017: £5.8m). Some of the proceeds from the issue of shares has been placed on deposit for time periods ranging between instant access and up to six months in maturity.

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
27 September 2018

MIRRIAD ADVERTISING PLC

Our key performance indicators

Revenue (£000)		Cash consumption (£000)		Customers under contract	
6 months to June 2018	120	6 months to June 2018	6,222	As at 30 June 2018	9
6 months to June 2017	352	6 months to June 2017	4,551	As at 30 June 2017	10
12 months to Dec 2017	874	12 months to Dec 2017	9,032	As at Dec 2017	8

Company Information

Directors **Roger Faxon** Chairman **Mark Popkiewicz** Chief Executive Officer **David Dorans** Chief Financial Officer **Alastair Kilgour** Non-Executive Director **John Pearson** Non-Executive Director **Dr Mark Reilly** Non-Executive Director	**Independent Auditors** PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Rd Reading RG1 3JH **Solicitors** Osborne Clarke LLP 6th Floor One London Wall London EC2Y 5EB
Company registration number 09550311	**Company Secretary** Catherine Shennan
Registered Office 6th Floor One London Wall London EC2Y 5EB	**Nominated Advisor & Broker** Numis Securities Limited 10 Paternoster Square London EC4M 7LT
Company website www.mirriad.com	**Financial PR** Hudson Sandler LLP 25 Charterhouse Square London EC1M 6AE
	Registrars Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS99 6ZZ

MIRRIAD ADVERTISING PLC

Consolidated statement of profit or loss and statement of comprehensive income for the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Revenue	4	120,191	352,163	874,191
Cost of Sales		(65,779)	(96,820)	(180,587)
Gross Profit		**54,412**	**255,343**	**693,604**
Administrative expenses		(6,783,402)	(5,160,230)	(12,067,393)
Other operating Income		76,991	-	101,715
Operating Loss		**(6,651,999)**	**(4,904,887)**	**(11,272,074)**
Finance Income		7,557	351	776
Loss before income tax		**(6,644,442)**	**(4,904,536)**	**(11,271,298)**
Income tax credit		95,237	117,249	208,849
Loss for the period / year		**(6,549,205)**	**(4,787,287)**	**(11,062,449)**
Loss per ordinary share – basic	5	**(6p)**	**(9p)**	**(19p)**

All activities are classified as continuing.

	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Loss for the financial period / year	(6,549,205)	(4,787,287)	(11,062,449)
Other comprehensive expense			
Items that may be reclassified to profit or loss:			
Currency translation differences	(29,381)	(5,066)	(14,088)
Total comprehensive expense for the period / year	(6,578,586)	(4,792,353)	(11,076,537)

MIRRIAD ADVERTISING PLC

Consolidated balance sheet
At 30 June 2018

	Note	As at 30 June 2018 (unaudited) £	As at 30 June 2017 (unaudited) £	As at 31 December 2017 (audited) £
Assets				
Non-current assets:				
Property, plant and equipment		402,718	153,467	425,874
Intangible assets		1,526,509	1,612,654	1,640,690
Trade and other receivables		212,362	28,508	212,960
		2,141,589	1,794,629	2,279,524
Current assets				
Trade and other receivables		760,072	719,140	1,074,274
Tax receivable		304,077	260,243	208,840
Cash and cash equivalents		22,090,400	5,796,417	26,383,690
		23,154,549	6,775,800	27,666,804
Total assets		**25,296,138**	**8,570,429**	**29,946,328**
Current liabilities				
Trade and other payables		1,907,311	986,405	2,054,603
Total liabilities		**1,907,311**	**986,405**	**2,054,603**
Net Assets		**23,388,827**	**7,584,024**	**27,891,725**
Equity and Liabilities				
Equity attributable to owners of the parent				
Share capital	6	50,949	556	50,917
Share premium		25,643,192	22,391,536	23,717,390
Share based payment reserve		2,114,689	504,215	1,964,835
Retranslation reserve		(219,866)	(181,463)	(190,485)
Retained earnings / (accumulated losses)		(4,200,137)	(15,130,820)	2,349,068
Total equity		**23,388,827**	**7,584,024**	**27,891,725**

MIRRIAD ADVERTISING PLC

Consolidated statement of changes in equity
For the six months ended 30 June 2018

	Six months ended 30 June 2017 (unaudited)					
	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Accumulated losses £	Total Equity £
Balance as at 1 January 2017	556	22,401,586	289,564	(176,397)	(10,343,533)	12,171,776
Loss for the period	-	-	-	-	(4,787,287)	(4,787,287)
Other comprehensive loss for the period	-	-	-	(5,066)	-	(5,066)
Total comprehensive loss for the period	-	-	-	(5,066)	(4,787,287)	(4,792,353)
Share issue costs	-	(10,050)	-	-	-	10,050
Share based payments recognised as expense	-	-	214,651	-	-	214,651
Total transactions with shareholders recognised directly in equity	-	(10,050)	214,651	-	-	204,601
Balance as at 30 June 2017	**556**	**22,391,536**	**504,215**	**(181,463)**	**(15,130,820)**	**7,584,024**

	Year ended 31 December 2017 (audited)					
	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	(Accumulated Losses) / Retained earnings £	Total Equity £
Balance as at 1 January 2017	556	22,401,586	289,564	(176,397)	(10,343,533)	12,171,776
Loss for the financial year	-	-	-	-	(11,062,449)	(11,062,449)
Other comprehensive loss for the year	-	-	-	(14,088)	-	(14,088)
Total comprehensive loss for the year	-	-	-	(14,088)	(11,062,449)	(11,076,537)
Shares issued in lieu of consideration	1	52,543	-	-	-	52,544
Proceeds from shares issued	462	27,541,844	-	-	-	27,542,306
Share issue costs	-	(2,473,635)	-	-	-	(2,473,635)
Issue of deferred shares	49,898	(49,898)	-	-	-	-
Capital restructuring	-	(23,755,050)	-	-	23,755,050	-
Share based payments recognised as expense	-	-	1,675,271	-	-	1,675,271
Total transactions with shareholders recognised directly in equity	50,361	1,315,804	1,675,271	-	23,755,050	26,796,486
Balance as at 31 December 2017	**50,917**	**23,717,390**	**1,964,835**	**(190,485)**	**2,349,068**	**27,891,725**

	Six months ended 30 June 2018					
	Share Capital £	**Share Premium £**	**Share based payment reserve £**	**Retranslation reserve £**	**Retained earnings / (Accumulated Losses) £**	**Total Equity £**
Balance as at 1 January 2018	50,917	23,717,390	1,964,835	(190,485)	2,349,068	27,891,725
Loss for the period	-	-	-	-	(6,549,205)	(6,549,205)
Other comprehensive loss for the period	-	-	-	(29,381)	-	(29,381)
Total comprehensive loss for the period	-	-	-	(29,381)	(6,549,205)	(6,578,586)
Proceeds from shares issued	32	1,999,968	-	-	-	2,000,000
Share issue costs	-	(74,166)	-	-	-	(74,166)
Share based payments recognised as expense	-	-	149,854	-	-	149,854
Total transactions with shareholders recognised directly in equity	32	1,925,802	149,854	-	-	2,075,688
Balance as at 30 June 2018	**50,949**	**25,643,192**	**2,114,689**	**(219,866)**	**(4,200,137)**	**23,388,827**

MIRRIAD ADVERTISING PLC

Consolidated statement of cash flows for the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Net cash from operating activities	7	(5,775,722)	(4,173,022)	(7,709,471)
Tax credit received		-	41,359	184,250
Interest received		7,557	351	776
Net cash used in operating activities		**(5,768,165)**	**(4,131,312)**	**(7,524,445)**
Cash flow from investing activities				
Investment in subsidiaries		-	-	(201,953)
Capitalisation of development costs		(409,952)	(366,774)	(842,010)
Purchase of tangible assets		(43,923)	(55,464)	(466,627)
Proceeds from disposal of tangible assets		-	2,573	2,660
Net cash used in investing activities		(453,875)	(419,665)	(1,507,930)
Cash flow from financing activities				
Proceeds from issue of ordinary share capital (net of costs of issue)		1,928,750	-	25,068,671
Net cash generated from financing activities		1,928,750	-	25,068,671
Net increase / (decrease) in cash and cash equivalents		(4,293,290)	(4,550,977)	16,036,296
Cash and cash equivalents at the beginning of the period / year		26,383,690	10,347,394	10,347,394
Cash and cash equivalents at the end of the period / year		**22,090,400**	**5,796,417**	**26,383,690**

Cash and cash equivalents consists of			
Cash at bank and in hand	22,090,400	5,796,417	26,383,690
Cash and cash equivalents	**22,090,400**	**5,796,417**	**26,383,690**

1 Basis of preparation

The condensed and consolidated interim financial statements of Mirriad Advertising plc for the period ended 30 June 2018 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 2018 and for the six months ended 30 June 2017 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 2018 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, Mirriad Brasil Tecnologias Para Midia Ltda, and Mirriad Limited (dormant). Comparative figures in the condensed interim financial statements for the year ending 31 December 2017 have been taken from the Group's audited financial statements on which the Group's auditors, Pricewaterhouse Coopers LLP, expressed an unqualified opinion.

1.1 Going concern

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of these condensed interim financial statements. For these reasons they continue to adopt the going concern basis in preparing the Group's condensed interim financial statements.

The cash flow projections are the sole responsibility of the directors based upon their present plans, expectations and intentions. In this context, the directors have prepared and considered cash flow projections for the Group for a period extending one year from the date of approval of these financial statements. Based on these cash flows the directors are satisfied that the Group are able to meet their liabilities as and when they fall due for the foreseeable future and for a minimum period of twelve months from the date of these condensed interim financial statements.

2 Accounting Policies

The accounting policies applied are consistent with those of the annual report and accounts for the year ended 31 December 2017, as described in those financial statements other than standards, amendments and interpretations which became effective after 1 January 2018 and were adopted by the Group. These have had no significant impact on the Group's loss for the period or equity. The Board approved these interim financial statements on 27 September 2018.

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 2017, summarized in 2017 annual report and accounts. There have been no significant changes in any risk management policies since 31 December 2017.

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, Brazil, China and Singapore. 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 are 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 2018 (unaudited) £	**Six months ended 30 June 2017 (unaudited) £**	**Year ended 31 December 2017 (audited) £**
Turnover by geography			
China and Singapore	66,010	121,879	450,864
India	-	127,451	248,356
UK	7,750	74,986	101,494
USA	13,491	27,847	43,733
Brazil	32,940	-	29,744
Total	**120,191**	**352,163**	**874,191**

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 2018 (unaudited) £	**Six months ended 30 June 2017 (unaudited) £**	**Year ended 31 December 2017 (audited) £**
UK	(3,648,835)	(2,576,313)	(6,880,824)
USA	(1,219,902)	(1,256,817)	(2,245,660)
India	(349,981)	(195,132)	(404,369)
China and Singapore	(564,353)	(478,065)	(656,009)
Brazil	(277,717)	-	(172,622)
Total EBITDA	**(6,060,788)**	**(4,506,327)**	**(10,359,484)**
Depreciation	(67,079)	(22,940)	(89,770)
Amortisation	(524,132)	(375,620)	(822,820)
Finance Income net	7,557	351	776
Loss before tax	**(6,644,442)**	**(4,904,536)**	**(11,271,298)**

5 Earnings per share

(a) Basic
Basic earnings per share is calculated by dividing the loss for the period / year by the weighted average number of ordinary shares in issue during the 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 2018**	**Six months ended 30 June 2017**	**Year ended 31 December 2017**
Loss attributable to owners of the parent (**£)**	(6,549,205)	(4,787,287)	(11,062,449)
Weighted average number of ordinary shares in issue **Number**	103,108,816	55,579,609	58,030,338

The loss per share for the period was 6p (six months to 30 June 2017: 9p; year ended 31 December 2017: 19p).

No dividends were paid during the period (six months to 30 June 2017: £nil; year ended 31 December 2017: £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 2018	101,896,911
Issued during the period	3,225,806
At 31 December 2017	105,122,717

On 24 April 2018, 3,225,806 ordinary shares were issued for 62p per share as part of a £2m fund raise from new investors.

7 Net cash flows used in operating activities

	Six months ended 30 June 2018 (unaudited) £	Six months ended 30 June 2017 (unaudited) £	Year ended 31 December 2017 (audited) £
Loss for the financial period / year	(6,549,205)	(4,787,287)	(11,062,449)
Adjustments for:			
Tax on loss on ordinary activities	(95,237)	(117,249)	(208,849)
Interest received	(7,557)	(351)	(776)
Operating loss:	(6,651,999)	(4,904,887)	(11,272,074)
Amortisation of intangible	524,132	375,620	822,820
Depreciation of tangible assets	67,079	25,513	89,770
Profit on disposal of tangible assets	-	(2,573)	(2,660)
Bad debts written off	-	-	11,293
Cost settled with equity	-	-	52,544
Share based payment charge	149,854	214,651	1,675,271
Foreign exchange variance	(29,381)	(5,066)	166,523
- (Increase)/ decrease in debtors	314,400	(78,411)	(541,866)
- Increase in creditors	(149,807)	202,131	1,288,908
Cash flow used in operating activities	**(5,775,722)**	**(4,173,022)**	**(7,709,471)**

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 27% of the share capital of the Company. All of the related parties listed below, with which the Company had transactions during the period share the same parent company as IP2IPO Portfolio (GP) Limited, IP Group plc.

IP2IPO Limited : (1) Charged Mirriad Advertising plc £6,390.06 for Company Secretarial Fees and expenses for the period from 19th December 2017 to 30th June 2018. Of this amount £3,074.20 was unpaid at the period end; (2) Charged Mirriad Advertising plc £717.82 for meeting venue hire and refreshments in January 2018; (3) Charged Mirriad Advertising plc £10,000 for the services of Mark Reilly as a Non-Executive Director for the period to 30th June 2018. Invoices for these fees have not yet been received by the Company and so are accrued and unpaid at the period end.
Top Technology Ventures Limited – Charged Mirriad Advertising Plc £2,600 in May 2018 for data room charges related to fundraising activity.

Parkwalk Advisors Limited – Charged Mirriad Advertising plc £10,000 for the services of Alastair Kilgour as a Non-Executive Director for the period to 30th June 2018. Invoices for the June fees totaling £1,667 were not received by the Company by the end of the period and so are accrued and unpaid at the period end.

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