MIRRIAD

Mirriad Advertising plc
Annual report 2023

PIVOTING IN THE US

“We remain at the forefront of the industry with our new in-content advertising format, cementing our lead in the North American market.”

Stephan Beringer
Chief Executive Officer

Read more on page 08

NEW VALUE IN-CONTENT #1

BEFORE VPP

AFTER VPP

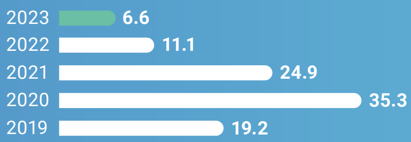
HIGHLIGHTS

Revenue £m

£1.80m

Net assets £m

£6.6m



Loss per share p

-3p

- Announced successful Placing, Retail Offer and Directors' Subscription of £6.79 million, gross, on 7 May 2024 to fund ongoing operational expenditure and working capital alongside modest investments in technology and sales support operations.
- Announced Strategic Review of business in January 2023. Successful equity placing and Open Offer of £6.3 million, gross, announced on 16 May 2023 and implementation of a new plan for the business involving significant cost reduction and restructuring.
- Continued pivot to the US market. US sales increased to £1.4 million and now account for 79% of revenue.
- Active supply partners increased to 49 from 36 in 2022 and the number of advertisers placing campaigns increased to 63 in 2023 from 59 in 2022.
- Signed agreements with two of the top five entertainment networks in the US in Q4 2023 and Q1 2024. Agreements now in place with supply side partners representing c.39% of the total US TV advertising market.
- Programmatic testing continuing with five partners and is on track to contribute to revenue starting in 2024.
- Completed the wind down of operations in China during 2023.

WITH ADVERTISING

CONTENTS

Strategic report

Corporate governance

Financial statements

The Strategic Report contained on pages 01 to 36 was approved by the Board on 3 June 2024 and signed on its behalf by:

Nic Hellyer
Chief Financial Officer

OUR VISION IS TO LEAD A NEW ERA IN ADVERTISING

Deploying Mirriad's high-performing, in-content ad format across the most powerful and valuable content platforms and properties.

MISSION

The world's largest content players face unprecedented pressure on their business models, and the marketing ecosystem is in search of new answers. Mirriad's mission is to provide the most advanced advertising solution to the media industry that is easy to integrate, deploy and scale and that will instantly enable new revenues and levels of reach and impact.

34 ↔

Protected by 34 granted patents in the USA, Europe and Asia (2022: 34 – restated to exclude China)

1,311 ↓

Hours of content analysed in 2023 compared to 1,334 in 2022 (restated to exclude China)

4,476 ↑

Seconds of advertising insertions delivered in 2023 compared to 2,732 in 2022 (restated to exclude China)

OPPORTUNITY

Mirriad addresses fundamental challenges in the traditional advertising space

ADVERTISERS/AGENCIES (DEMAND PARTNERS)

- Existing video inventory, such as pre-roll or interruptive advertising, is at saturation point
- Need to engage audiences in relevant ways
- Reach is increasingly difficult to achieve

CONTENT PARTNERS (SUPPLY PARTNERS)

- Need additional revenue streams to cover the increasing cost of content and eroding TV ad business
- Need inventory that does not increase ad loads
- Need ad solutions that drive great results for advertisers without compromising viewer experience

VIEWERS

- The average viewer sees 5,000+ ads every day, accelerating ad fatigue and avoidance
- Low attention paid to ads during commercial breaks
- Expect relevant, innovative, non-disruptive ad experiences

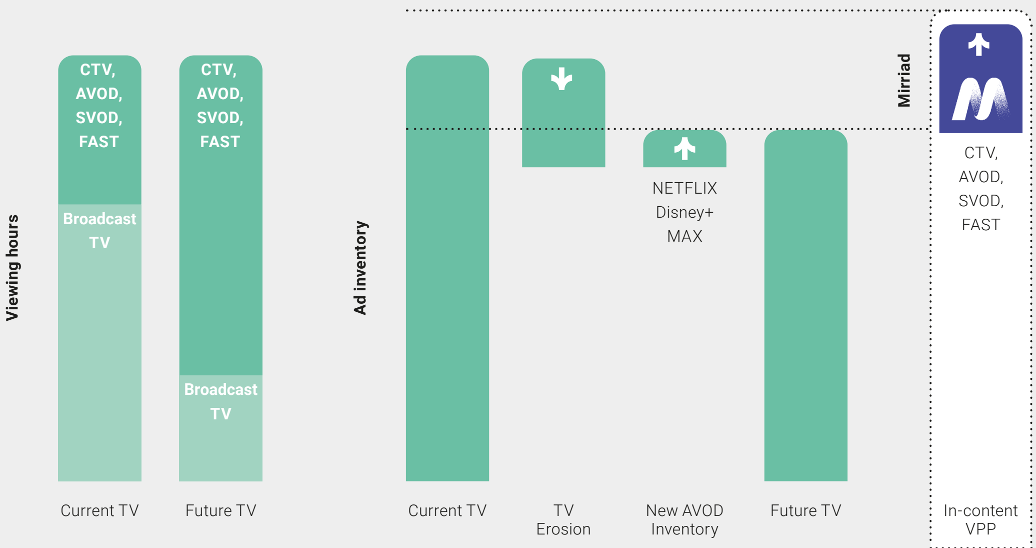
SOLUTION

By moving advertising from the ad-breaks into the programme itself Mirriad opens up content as a source of new inventory for the entire industry.

As audiences increasingly shift towards ad-free/ad-light environments like in-video on demand streaming services (AVOD, SVOD) and are paying less attention to TV and video ads in general, Mirriad is unlocking new opportunities for media companies to generate new revenue and offset the issues of declining TV businesses and the limited revenue opportunities in streaming/video on demand.

BRIDGING TV'S DEMAND/SUPPLY IMBALANCE

Mirriad has the potential to replace ad inventory lost from broadcast TV and increase inventory available from new AVOD, SVOD and other digital services.



SPEARHEADING A NEW PARADIGM

Mirriad delivers measurable benefits to all stakeholders

1
BETTER RESULTS FOR ADVERTISERS

ADVERTISERS/AGENCIES (DEMAND PARTNERS)

A more effective and impactful way to reach audiences

Mirriad can seamlessly place a wide range of advertising forms into existing content, from branded billboards to entire cars. At a time when reach is harder than ever to secure, digitally placing advertising within the content that viewers love can create a key point of difference for agencies and advertisers.

+22ppt

increased consumption of featured product after Mirriad activation*

* Source: Kantar

2

NET NEW REVENUE FOR CONTENT OWNERS

CONTENT PARTNERS (SUPPLY PARTNERS)

New monetisable in-content inventory

In-content adds new high-quality inventory – outside of traditional ad breaks – across all video formats. By unlocking up to 12 additional contextual advertising opportunities per hour, Mirriad also opens up new revenue streams for content owners.

>85%

of viewing time monetisable without increasing ad load

3

GREAT EXPERIENCE FOR VIEWERS

VIEWERS

A better, non-interruptive content experience

In the age of ad avoidance, ad blocking and ad skipping, audiences actively prefer the Mirriad format as it doesn't interrupt their viewing experience in the way pre-roll or ad-break- based alternatives can do.

x7

Viewer preference over traditional ads*

* Source: Kantar

MIRRIAD READY TO LEAD AD INDUSTRY REVOLUTION

"I am confident in the management team and the Board's ability to deliver against the Company's strategy, with the ultimate aim of delivering long-term shareholder value, particularly for those who have been steadfast in their understanding of the Company's vision."

John Pearson
Chairman

Over the last year it has become increasingly clear that pressure on traditional ad formats continues to ratchet up, just as content owners, creators and distributors seek new revenue to offset rising costs. Consumers around the world also reacted to the effects of acute inflation, and adjusted discretionary spending accordingly. Already entrenched trends like ad avoidance and ad skipping became more pronounced, and we saw large streamers making moves to introduce advertising to support existing subscription models.

The move towards programmatic advertising – the use of automated technology for media buying – across the industry is gathering real pace, which aligns well with the Company's focus on rolling out this approach in the year ahead.

Management has worked hard after the strategic review and 2023 fundraise to bed in the agreed principles, and it is positive to see this resulting in significant new top-tier partnership agreements in the key US market, as well as a prudent approach to ongoing operations.

As part of the strategic review, we were pleased to welcome Nic Hellyer as new CFO in Q4 2023. I would like to reiterate my thanks to David Dorans, who stepped down as CFO at the end of the year. He ensured a smooth transition before his departure and contributed to the business hugely over the last eight years. As the Company enters an important new phase after the most recent fundraise, I have confirmed my plan to step down as Non-executive Chairman, but remain as a Non-executive Director following the 2024 AGM. James Black will be the new Chairman, and he is well placed to work closely with Stephan and the wider management team to drive the Company forward.

I would also like to thank Board members Alastair Kilgour and Lois Day for their positive contributions during their time on the Mirriad Board, after they did not stand for re-election at the AGM. I am confident that the reshaped Board is well aligned with the Company's strategic objectives.

Mirriad is also committed to a clear and considered approach to Environmental, Social and Governance ("ESG") matters, always ensuring a balance between our corporate and ESG strategies. The Company continues to develop its policies in this area, and since 2022 its estimated carbon emissions, including travel, have been offset by purchasing carbon credits.

Despite the Company undergoing a number of staffing changes in the past 12 months, results from our recent employee engagement survey show that we have maintained 99% of employees saying they agree, or strongly agree with the statement 'I am proud to work at Mirriad'. This is really positive, and taking into account other encouraging feedback from the survey Mirriad continues to provide a culture which is rewarding, supportive and engaging. Giving back to the communities in which we work and embracing an equitable and inclusive culture have also remained a primary focus.

Staff satisfaction
93%

Survey participation
82%

More information p36

OUR PEOPLE AND CULTURE

Mirriad is proud of the depth and talent within its team and the way colleagues have responded to staffing and structural changes made within the year.

Key points of note include:

- Overall staff satisfaction was 93%, a slight increase on 2022 (89%). This was based on a slightly decreased response rate of 82% (2022: 87%).
- All staff required to undertake a mandatory online training module addressing equality and diversity.
- 99% of staff are proud to work at Mirriad (2022: 95%).

Looking ahead to 2024 in more detail, it is clear the advertising industry is changing fast, and nowhere is this more true than our key market in the US. Emerging technologies like AI and continuing viewer behavioural trends align well with Mirriad's long-term objectives and capabilities, but as the leader in a new vertical it is incumbent on us to keep making the case for the format. Partnerships with top-tier US industry leaders in particular underline that more and more organisations are understanding the opportunity the in-content format presents.

As I prepare to step down, I am confident in the management team and the Board's ability to deliver against the Company's strategy, with the ultimate aim of delivering long-term shareholder value, particularly for those who have been steadfast in their understanding of the Company's vision.

John Pearson
Chairman
3 June 2024

BUILDING A NEW STANDARD

> **"Mirriad is delivering a transformative solution that addresses major industry challenges."**
>
> **Stephan Beringer**
> Chief Executive Officer

The strategic review and fundraising in H1 2023 were significant undertakings, that put us in a stronger position to deliver against our overall objectives. As a result, we drove additional cost savings and recorded particular progress on signing new agreements with US tier one partners in H2 2023.

Our initial US market-building phase was launched in 2020 and resulted in a total Mirriad roster of over 60 partners, representing around 9% of the US TV advertising market at that point. This phase was crucial in raising awareness of the format, building a first wave of demand, demonstrating in-content's strong performance and establishing the solution as a differential option in the future of advertising and the media.

Building on these strong fundamentals, we were able to significantly grow our position in Q4 2023, with the addition of a further 17% share via agreements with two significant new partners.

Until Q4, the Company was very much still operating in 'manual' mode with around 9% of the key US market, ahead of the shift to programmatic delivery. The Mirriad proposition in 2024 is already looking very different: The majority of the market is now under contract or in serious discussions, there is a firmer starting pipeline for revenue as well as multiple programmatic integrations underway to enable automated transactions of the inventory.

The entire advertising market is operating in fluctuating macroeconomic conditions, but Mirriad's stand-out difference comes in our ability to address three strategic truths that still apply to every content owner, distributor, and advertiser:

1. consumers are shifting to more ad-free or ad-light video environments, and streamers in particular are still figuring out how to drive profitability into their businesses, given the high cost for content and the limited ad revenue and subscription growth;
2. ad clutter and over-exposure are driving ad-fatigue or avoidance; and
3. advertisers need more quality inventory to engage with audiences who may be limiting discretionary spend.

Over the last year Mirriad has also maintained its position as the in-content category leader in the US, underlining the strength of our solution and our commitment to continuous innovation in this space. This position was recognised with further backing from investors in our May 2024 fundraise, which will allow us to effectively capitalise on the opportunity ahead.

STRATEGIC APPROACH

The completion of the strategic review in 2023 and the resulting equity fundraising plan resulted in an initial cash runway to Q3 2024. This has since been extended following the most recent raise. In H2 this was used to secure new tier-one partnerships on the path to unlock the significant opportunity that exists with programmatic selling starting in 2024 in the US in particular.

Our pipeline conversion was strong towards the end of 2023, with further interest and negotiation from the top players in the industry, beyond those already signed. This is thanks to technological progress and proving our solution's differential performance with some of the biggest advertisers, networks and content owners as a true differentiator in a constrained and saturated global ad market.

This approach is the route to scaling the Company in line with its full potential, capitalising on the growing pressures in the multibillion dollar media and marketing industries, and to creating long-term shareholder value.

We made changes at a leadership and Board level, and I would like to echo John's sincere thanks to David, Alastair and Lois for their contributions to the business. In addition, after announcing he will step down as Chairman after the Company's AGM, I would like to call out the significant impact John has had – and the considerable insight he has provided – both as a Mirriad Board member since 2017, and as non-executive Chairman from 2019. I now look forward to working with our incoming Chairman, James Black, as we move into this important next phase for the Company.

Everyone at Mirriad is laser-focused on our objectives, and based on delivery post-strategic review, I have every confidence in our re-shaped and highly motivated team's ability to deliver. Following a smooth handover, Nic Hellyer, our new CFO, has hit the ground running and is working effectively with our entire team as we move forward.

We continue to control costs wherever possible, and the Company closed the year with a cash balance of £6.1 million. Average monthly cash burn in the second half slightly improved over management expectations, with efficiency improvements achieved ahead of the plan outlined in the strategic review.

BUSINESS STATUS, PERFORMANCE, AND TECHNOLOGICAL PROGRESS

2023's revenue profile was based on a labour-intensive manual sales process, and in 2024 we will initiate the transition from this first market building and adoption phase to programmatic selling. Programmatic activation with the first partner is expected to occur in H1 2024.

Now working with tier one US partners as a priority, this approach is expected to open up increased volumes, far shorter lead times, automated transactions and true scale.

These agreements, and those expected to be closed in 2024, mean the 'Mirriad-inside' strategy of integrating in-content advertising as a new standard advertising format across the entire TV and video media ecosystem is now gaining significant traction, ahead of plan.

Overall Company revenue for 2023 was up by 31% on FY 2022 on a like-for-like basis (excluding revenue from China operations, which formally closed in H1 2023). Over the same period, the Company increased the number of advertisers it worked with from 59 to 68, an uplift of 15%. The number of repeat advertisers also had a significant gain of 61%, from 13 to 21.

Technical progress continues at pace and our collaboration with Microsoft, announced in May 2023, accelerated the development of our platform as an enterprise level solution that is ready for programmatically sold inventory – a key building block for tier one partnerships and prerequisite for the increased scale we've been working towards.

In January 2024, Mirriad achieved the Trusted Partner Network ("TPN") Gold Shield status. This recognition is key for working with top entertainment and media companies in the US. It marks an important milestone in our growth, as TPN is the go-to standard for TV and film content security, further confirming our progress.

OUTLOOK

At the outset of 2024 the Company was in active negotiations with two more majors in the US, taking the Company to a position of potential majority market share, with the prospect of further notable additions in the remainder of H1. This progress represents a phase-shift in the scale of new partners – Mirriad is now signing US 'majors' and 'super-majors'.

Our decision to raise new finance and restructure the business in 2023 gave us the firepower to drive growth in areas that will maximise return, like programmatic delivery.

Now that we have raised additional funds in 2024, we will continue to control costs, while leveraging the significant market power of our new and existing partners to deliver true scale.

Continuing favourability towards the Mirriad format amongst consumers and advertisers contrasts sharply with general results from traditional advertising formats. Despite having entered the programmatic age over a decade ago, the structural challenges with traditional advertising formats have increased. Mirriad has the potential to be a real difference-maker in this pressurised environment.

I would like to thank investors who have stood by us during the strategic review and for their vision, and also for their constructive – and at times forthright – engagement. Everyone at Mirriad is focused on the move to programmatic to drive the Company forward and to generate long-term shareholder value.

Last year I talked about the need to build further confidence in the format and stay the course as we sought increased recognition amongst tier one partners in the US in particular. These were always going to be the 'hardest yards' for what was until recently considered an emerging technology. The tier one agreements we have signed recently, and those we are negotiating towards completion in 2024, speak to a sea-change in recognition for the Mirriad difference, at the absolute highest levels of the industry.

Stephan Beringer
Chief Executive Officer
3 June 2024

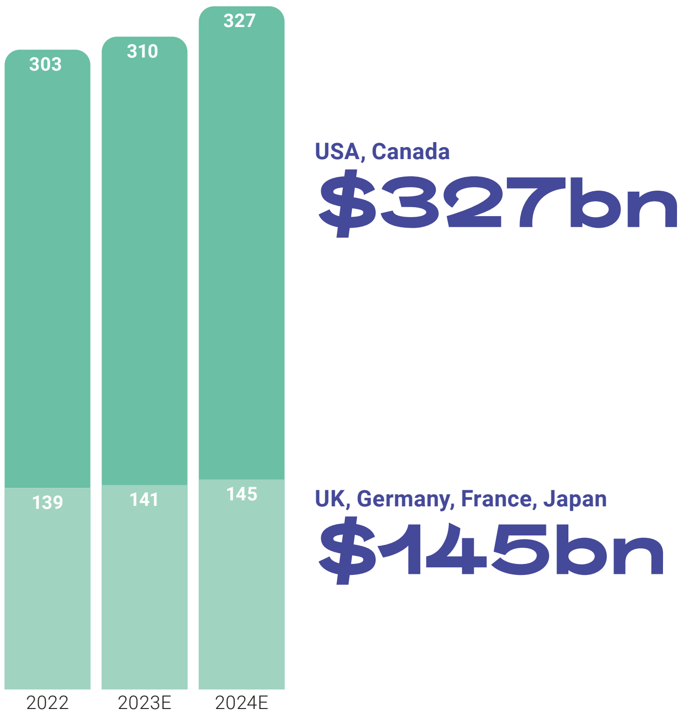
TURNING POINT

Mirriad is successfully targeting the key North American advertising market

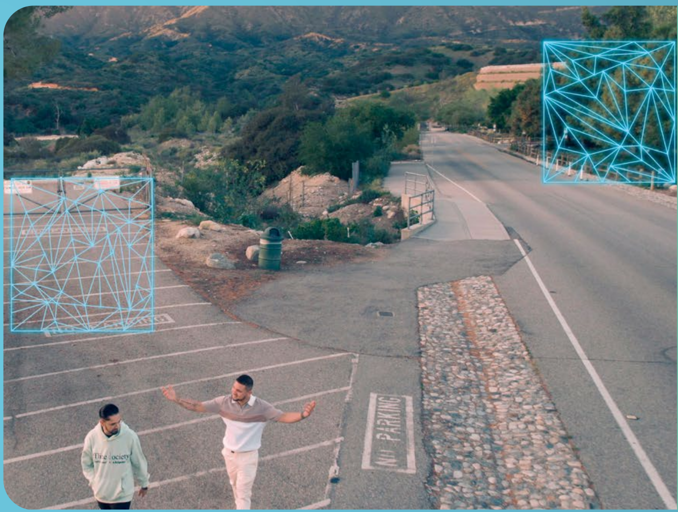
THE GLOBAL STREAMING MARKET IS LED OUT OF THE US

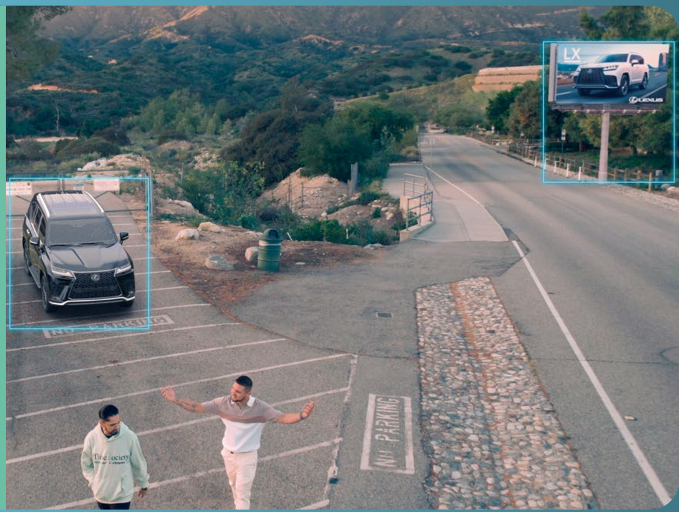
As viewers migrate from traditional TV to streaming services it is key for Mirriad to partner with the global leaders in this field. Many of these are US based, including Max, Peacock, Netflix, Paramount Plus, HULU, Disney+ and others – underlining the importance of our focus on this key market.

TOTAL ADVERTISING SPEND IN USDBN



Source: Dentsu Global Ad Spend Forecasts December 2023.





"Mirriad's Virtual Product Placement platform provides an avenue for us to engage with consumers in an authentic and innovative way that drives optimal results."

Lisa McQueen
Media Manager at Lexus

"By leveraging Mirriad's in-content platform, we unlocked new music video inventory we'd otherwise not have access to. Through virtual signage, we drove campaign awareness and connected authentically with diverse music fans."

Nobles Crawford
AVP of Consumer Activation, Luxury Beauty at L'Oreal

CONTENT SPEND OF SELECTED MEDIA AND STREAMING COMPANIES

(2026E vs 2021)

NETFLIX

$21bn +$4bn

Disney+ hotstar hulu ESPN+

$20bn +$14bn

prime video freevee

$18bn +$9bn

HBO max discovery+

$11bn +$9bn

tv+

$10bn +$4bn

Paramount+ SHOWTIME pluto tv

$7bn +$5bn

peacock

$7bn +$5bn

CREATING VALUE

WHAT WE HAVE

Supply partnerships
A growing base of supply partners in our target markets covering a range of video types including entertainment content, music and influencer videos.

Demand partnerships
An active and growing number of media agencies and advertisers who are using our services.

Technology & know-how
Protected patented technology covering different elements of our platform-based operational and production workflow.

Expertise and know-how covering the end-to-end process allows us to offer a fully managed service to supply and demand partners.

Dynamic & diverse team
A highly skilled and developed team of 93 staff based around the world.

Read more on page 35

WHAT WE DO

BEFORE VPP

AFTER VPP

Insert advertising imagery, typically signage (billboards or posters), product or video, into pre-existing video content.

We do this by:

1. **Creating inventory**
   Analysing video content for supply partners to identify opportunities to place advertising and creating relevant supporting meta data.
2. **Selling the inventory**
   Sales are made to media agencies or brands by either our own sales staff or supply partners' sales teams and, in the future, sales will be enabled by programmatic platforms.
3. **Embedding brand imagery**
   Once a campaign is sold, products, videos, billboards and other formats are inserted into the content and delivered to the supply partners for distribution or directly inserted into the content stream.

How we generate revenue
Generally we take a share of the revenue generated by the supply partner from selling advertising. That revenue share ranges between 20–30%.

Alternatively we can work on a fixed fee basis where we charge a fee which varies depending on the volume of work we do to fulfil a campaign.

OUR DIFFERENCE

EXPERTISE
A depth of expertise in analysing video to create opportunities for advertising.

PLATFORM
Patent protection covering key elements of our workflow.

OPERATIONAL MODEL
A fully managed service for advertisers, agencies and supply partners.

SCALABLE SOLUTION
Scalable cloud-based systems.

OPPORTUNITY
We provide a range of opportunities for advertisers and agencies to target the 85% of airtime that is typically content, instead of just the 15% that is typically advertising.

CUSTOMER SERVICE
Superior customer support services for supply and demand partners.

WHAT WE DELIVER

Supply partners
Can add new inventory and revenue opportunities without adding to the already limited ad loads in streaming.

Demand partners
A more effective and impactful way for brands and media agencies to reach audiences, improving key brand metrics and driving sales.

Viewers
A better, non-interrupted viewing experience for audiences using a format which is preferred to traditional advertising.

Our team
A stimulating environment where our team are proud to work at Mirriad and feel highly motivated to succeed.

Shareholders
A business with a substantial addressable market, blue chip clients and a scalable business model with significant future potential.

83
Supply partners whose content we can take to market

99
Agencies and brands used our services in 2023

23%
Increase in advertising awareness
(Source: Kantar across 15 studies)

x7
Viewer preference over traditional advertising
(Source: Kantar)

99%
Of staff proud to work at Mirriad
(Source: Mirriad annual staff survey, Dec 2023)

$140bn
Addressable market
(Source: Statista US advertising spend reports)

STAKEHOLDER ENGAGEMENT

DIRECTORS' DUTIES S172 STATEMENT

Here we provide an overview of how the Directors have fulfilled their duties under s172 of the Companies Act 2006.

S172 requires that Directors act in a way that is most likely to promote the success of the Company for the benefit of its members as a whole.

The Directors have had training in their duties generally from the Company's solicitors, Osborne Clarke LLP, and from its NOMAD, Allenby Capital.

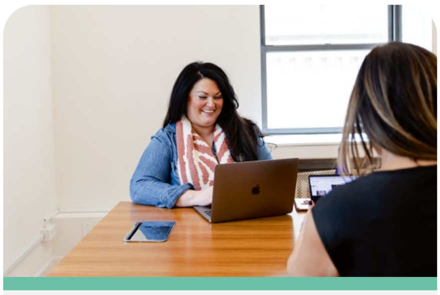
The Directors' engagement and interaction with shareholders and wider stakeholders is specifically covered on pages 14 and 15 of this Strategic Report.

The specific requirements of s172 are that Directors have regard to:

- The likely long-term consequences of their decisions;
- The interests of the Company's employees;
- The need to maintain business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of maintaining a reputation for good business ethics; and
- The need to act fairly between members of the Company.

The Directors consider the key relationships for the Company to lie with shareholders, employees and customers. The Company operates as an intermediary between suppliers of content, who we call supply partners, and advertisers and their agencies, who we call demand partners. They are both customers in the context of s172 and we have shown them as separate stakeholders in this section. The supply and demand side customers have different needs and concerns when engaging with the Company.

The Directors consider that the Company has a very low impact on the environment and local community. More detail on these particular areas is set out on pages 28 to 36 of this Strategic Report.



SHAREHOLDERS

Why we engage

- To provide updates and insights into business performance
- To answer questions raised by shareholders
- To better understand shareholders' needs and requirements

How we engage

- Investor roadshows
- Investor webinars and presentations
- Regulatory and other news updates
- The Company AGM
- Specific one-on-one meetings with larger investors

Outcomes of engagement

- A clear explanation of the Company's strategy and objectives
- High level of institutional shareholder support
- Equity capital raise in H1 2023 to enable the Company to carry on trading and demonstrate the quality and value of its product to the market. The Directors consider this the best way to satisfy the long-term interests of shareholders

EMPLOYEES

Why we engage
- To create a Company culture based on shared values
- To motivate the team
- To create a dialogue between management and team members
- To take soundings and check team morale and wellbeing
- To gain insights and ideas for business improvement
- To set out and explain the Company's vision and mission

How we engage
- Regular Company-wide Town Hall meetings (at least once per month) where staff are invited to submit questions in advance and these can be anonymous
- Annual staff survey
- The formal performance management and appraisal system which includes appraisals, personal development plans and 360 feedback
- Provision of designated and confidential mental health first aiders
- Formal exit interviews for staff choosing to leave Mirriad

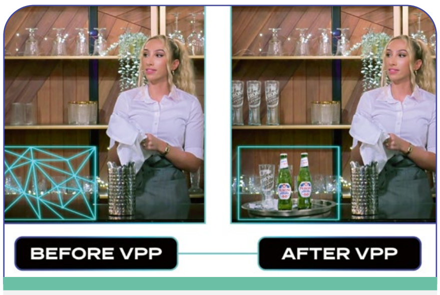
Outcomes of engagement
- Highly motivated, engaged and committed team with 99% of employees proud to work at Mirriad
- Better understanding of our strengths and weaknesses as an employer and issues with our employee value proposition

SUPPLY PARTNERS (CUSTOMERS)

Why we engage
- To nurture relationships and establish a partnership approach with content suppliers
- To gain new customers and add to available content supply
- To assist supply partners' sales teams to grow sales of in-content advertising
- To provide insight to the Company's Technology Roadmap and ensure it is responsive to supply partners' needs
- To grow and develop the overall business

How we engage
- Direct conversations with supply partners on a regular basis
- Formal presentations
- The commercial negotiation process
- Provision of research case studies that are shared with supply partners

Outcomes of engagement
- Collaborative relationships
- Improving the quality of content available
- Increasing the number of active supply partners
- Improved understanding of what the business needs to achieve to scale



DEMAND PARTNERS (CUSTOMERS)

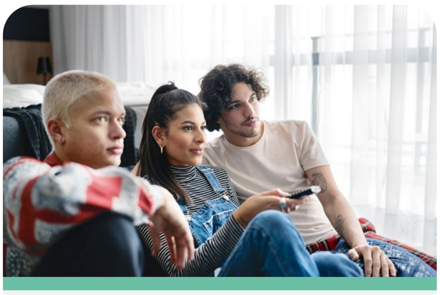
Why we engage
- To demonstrate the effectiveness of the Company's product and why it should be added as part of an advertiser's media mix
- To understand and address advertisers' needs and understand any impediments to adoption
- To help develop the Company's Technology Roadmap and ensure it is responsive to advertisers' needs
- To grow and develop the overall business

How we engage
- Direct conversations with advertisers and agencies on a regular basis
- Marketing materials highlighting available content and the availability of inventory at key moments in the year
- Formal presentations
- The commercial negotiation process

Outcomes of engagement
- A better understanding of key advertiser needs and the content which could address them
- More collaborative relationships
- Increasing number of active advertisers and agencies
- Improved understanding of impediments to adoption

STRATEGY: THE PATH TO SCALE

The Company continues to pursue the strategy first set out in 2020



ADOPTION

Move from the 'build' phase to the 'growth' phase by signing agreements with US entertainment 'majors' and 'super-majors' and secure repeat business.

What we achieved

- Continued increase in active supply partners: 49 during 2023 (2022: 36)
- Increased the number of supply partners we can represent to 83 at the end of 2023 (2022: 60) plus improved quality of content available to advertisers
- Increased the number of advertisers who have run campaigns: 68 during 2023 (2022: 50)
- Increased the number of active agency partners: 31 during 2023 (2022: 19)

Priorities for 2024

- Introduce programmatic buying with key US customers
- Increase partner-driven revenue
- Expand roster of advertisers and agencies in key markets in order to drive revenue
- Grow repeat business with key advertisers and agency groups with always-on approach and introduction of programmatic

Link to risks

1 2 3 4 5 6 7 8 9 10

INTEGRATION

Integrate with the media planning and buying ecosystem to drive future revenue.

What we achieved

- Linear – Scoped linear planning solution with Nielsen Audience planner to integrate Mirriad as a planning channel in agency/ advertisers systems
- Programmatic – scoped measurement solutions with all top vendors to report audience delivery for programmatic distribution
- Successfully tested programmatic measurement solution with Integral Ad Science

Priorities for 2024

- Mapping partner and key advertiser audience data to vendors
- Linear – Highlighting reach increase from content vs TV ads across partners to incorporate it in their sales proposition using their data sources.
- Programmatic – Readiness to measure programmatic campaigns aligned to partner/advertiser vendor preferences. Measurement planner for first campaign

Link to risks

1 2 3 4 5 9

AUTOMATION

Continue to invest in technology to ensure that as much activity as practical is automated; our end-to-end process is based on a combination of technology and our staff.

What we achieved

- Launched a next-generation platform using open architecture and industry standard technologies which will facilitate future automation and integration
- Advanced our generative AI capabilities for analysis of customer content
- Enriched Mirriad IP for programmatic delivery of virtual product placement ("VPP")
- Operational process and automation to meet industry standard security requirements

Priorities for 2024

- Launch programmatic service based on new cloud partner and industry standard technologies
- Ongoing development of Mirriad's programmatic IP
- Explore further AI opportunities within Mirriad's workflow
- Streamline Operations to cope with the demands of scale
- Enhance platform functionality to further support channel partner sales

Link to risks

1 2 3 4 5 8 9

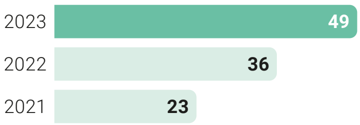
Our key performance indicators are aligned to our strategy and focus on the adoption and integration elements

Our adoption KPIs are split between the supply and demand side and act as leading indicators of future sales potential. The KPI data has been restated to exclude Chinese operations in 2022 and 2021 comparatives and only show data for continuing operations.

SUPPLY SIDE

Active supply partnerships

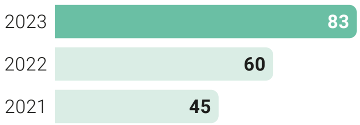
49



Defined as the number of supply partners who ran a campaign during the year.

Supply partners represented

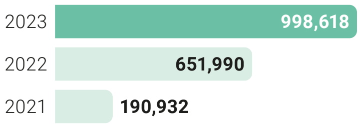
83



Defined as the number of supply partners who had given permission for Mirriad to market their content during the year.

Seconds of content available

998,618

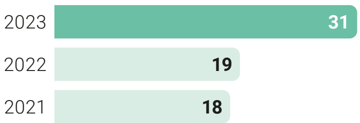


Defined as the total number of seconds of advertising inventory available for sale during the year.

DEMAND SIDE

Active agency relationships

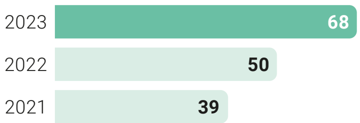
31



Defined as the number of media agencies who had placed a campaign during the year.

Number of advertisers who have run campaigns

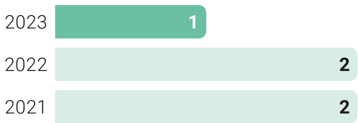
68



Defined as the number of individual brands who had placed a campaign during the year.

Strategic and commercial partnership agreements with advertisers and agencies

1



Defined as the number of signed agreements with media agencies and advertisers in operation during the year.

Key risks identified

1. Failure to drive revenue
2. Lack of content supply
3. Ability to attract and retain staff
4. Competitor risk
5. Working capital risk
6. Technology risk
7. Foreign exchange risk
8. Centralised production risk
9. IP risk
10. Macroeconomic risk

INDUSTRY LEADING RESULTS

TOYOTA X ITALKBB

OBJECTIVE

The campaign focused on the integration of the Toyota Grand Highlander, aiming to enhance ad awareness, brand favourability, and consideration among adults planning to buy or lease a new car within the next six months.

SOLUTION

Utilising Mirriad's VPP technology, Toyota's campaign was strategically embedded into content, ensuring the integration felt natural and contextually relevant. The campaign targeted adults with a driving licence, dividing them into control (N = 150) and exposed (N = 150) groups to measure the effectiveness of the branded integrations against unbranded control videos.

TOYOTA

iTalkBB Media

KEY FINDINGS

The campaign yielded high results, strongly impacting various brand metrics:

Ad awareness for the Toyota Grand Highlander

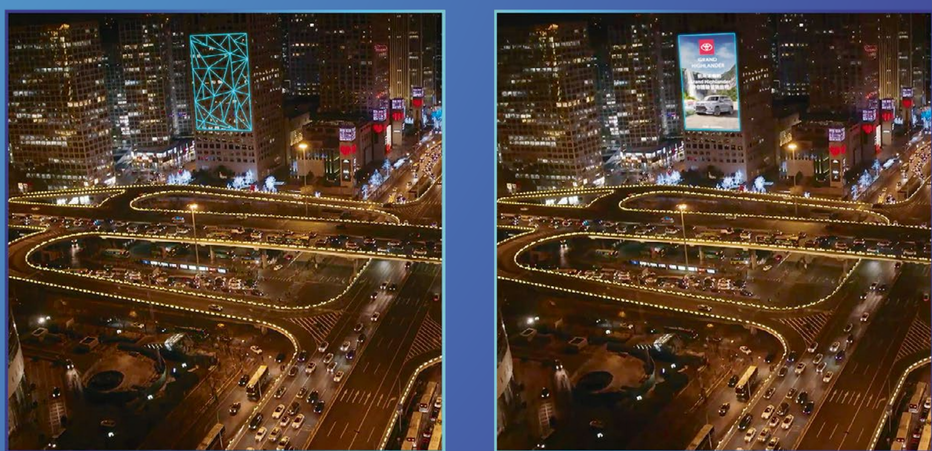
94%

Positive shift in Consideration compared to those who didn't see it

+21%

Consumers expressed preference for the Mirriad VPP format over traditional advertising formats, highlighting the effectiveness and likeability of in-content advertising

82%



BEFORE VPP

AFTER VPP

GATHERING US MOMENTUM

"During the year sales from the US increased to £1.43 million and now represent 79% of revenues."

Nic Hellyer
Chief Financial Officer

Revenue
£1.8m
+20%

Cash consumption
£10.5m
-19%

Active supply partners
49
+32%

INTRODUCTION

2023 was a year of significant change for the Group. In addition to the planned final closure of the Chinese operations, the Group also undertook a significant restructuring across the remaining business in the first half of the year addressing both staff and non-staff costs. This resulted in staff redundancies in all continuing operating companies including a material reduction in headcount, with the US operations reducing from 15 to 11 staff at the end of May 2023 and the technology team decreasing from 46 to 30. Overall headcount in continuing operations reduced from 115 at the end of April to 93 at the end of the year (83 employees and 10 long-term contractors engaged by the UK business and mainly based offshore). The restructuring resulted in a one-off cost to the Group of £359k.

Notwithstanding these cost reductions, we continued to make targeted investments in our technology stack which has resulted in "Mirriad 3.0", a programmatic-ready enterprise-level version of our award-winning software solution, based on Microsoft's Azure cloud-based open architecture. Mirriad 3.0 substantially streamlines the ad buying process and brings it into line with digital advertising practices and is expected to open up increased volumes, and result in far shorter lead times and automated transactions. This ability to dynamically insert in-content ads in real-time is key to scaling this format across the media buying ecosystem.

Our marketing efforts continued to be focused on our US operations as the market with the highest opportunity. This focus began to pay off in 2023 with a number of master licence and service agreements being signed with US-based media and entertainment companies which, together with agreements signed after the year end, take Mirriad's access to the US TV advertising market from less than 10% to almost 40%.

CURRENT YEAR RESULTS

Revenue for the year was higher than the prior year at £1.8 million (2022: £1.5 million) reflecting continued growth in the US and EMEA markets. During the year revenues from the US increased to £1.43 million (2022: £1.18 million) and now represent 79% of revenues. This focus on the US is also reflected in the pipeline of opportunities for 2024 and beyond.

Overall EMEA revenues increased by 93% to £344k (2022: £178k). This growth was largely driven by our focal point of Germany; we delivered multiple campaigns, ranging from major global brands like McDonalds to retailers (such as Aldi and Lidl) across Germany's largest broadcasters, RTL and ProSieben. We also expanded operations into the Middle East as we delivered several campaigns with a new partner, MBC.

There was a small increase in our cost of sales due to inflation and an increase in production heads in India. As a result overall cost of sales increased to £313k (2022: £286k). Given the increased revenues, there was an uplift in gross profit to £1.5 million (2022: £1.2 million). The vast majority of our cost of sales relates to our staff based in Mumbai.

The Group's principal operating cost remains staff, with the majority of these costs arising from our technology and US teams. Over the course of 2023, administrative expenses excluding depreciation decreased to £12.7 million (2022 restated: £16.7 million), with around £8.0 million in the first half compared to £4.7 million in the second half. This reduction was largely a result of headcount which decreased year on year with full withdrawal from our Chinese operations completed by the end of Q1 2023 and redundancies in all other offices as described above.

The Group keeps costs under close review and, since the year end, has identified potential further administrative cost savings of around £250k in addition to a net annualised figure of around £450k which is expected to be saved from July 2024 onwards as a result of non-renewal of the lease on the Group's London office and a move to mostly remote working practices.

Trade and other receivables at the year end were £2.3 million (2022: £2.2 million) of which £1.7 million (2023: £1.7 million) related to trade receivables. The significant majority of this balance related to revenue recognised in the last quarter of the year and represents gross amounts billed to end customers of which approximately £997k (2022: £1,098k) was due to be paid to intermediaries (such creditor balances being recognised in trade creditors and other payables and revenue recognised net). Mirriad contracts usually provide that creditor balances on such contracts are only payable once the gross receivable balance has been received. Since the year end £1.5 million of the gross amount has been received.

Capitalisation of development expenses

Mirriad has continued to review and monitor the application of IAS 38 with respect to the capitalisation of development costs. At the present stage of revenue growth, we take the view that it would be inappropriate to capitalise any development costs in 2023. The income statement includes £3.3 million (2022: £4.0 million) of staff costs and £0.9 million of IT and software costs (2022: £1.2 million) related to research and development ("R&D") activity, an overall decrease of 19% year on year, and this policy will be kept under close review as revenues grow.

EBITDA and net profit

The decrease in operating costs and increase in gross margin fed through to adjusted EBITDA (excluding share-based payment expense) with the EBITDA loss decreasing to £10.4 million (2022: £14.0 million). Likewise, the statutory loss before tax decreased to £11.4 million (2022 restated: £15.8 million).

Taxation

The Group has not recognised any tax assets in respect of trading losses arising in the current financial year or accumulated losses in previous financial years. The tax credit recognised in the current and previous financial years arises from the receipt of R&D tax credits.

Earnings per share

Loss per share decreased as a result of the decreased loss for the period on an increased share capital. The loss per share for 2023 was 2.7p per share (2022 restated: loss of 5.5p per share).

DIVIDEND

No dividend has been proposed for the year ended 31 December 2023 (2022: £nil).

CASH FLOW

Net cash used in operating activities was £10.5 million (2022: £12.9 million) as the decrease in operating costs flowed through to cash. The Group expended £39k (2022: £76k) of capital expenditure on tangible assets in the year.

Net proceeds from the issue of Ordinary Shares in June 2023 totalled £5.65 million following the successful fundraise.

BALANCE SHEET

Net assets decreased to £6.6 million (2022: £11.1 million) as a result of the losses for the year. Cash and cash equivalents at 31 December 2023 were £6.1 million (2022: £11.3 million).

ACCOUNTING POLICIES

The Group's consolidated financial information has been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Group's significant accounting policies, which have been applied consistently throughout the year, are set out on pages 67 to 73.

FINANCIAL REVIEW CONTINUED

GOING CONCERN

The financial statements have been prepared on a going concern basis notwithstanding the Group having made a loss for the year of £10.9 million (2022 restated: £15.3 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 date of approving these financial statements.

The Group's cash balance was £6.1 million at the year end and the Group remains debt free with no external borrowing. The Group's cash balance was £4.5m as at 31 March 2024.

The Company announced a successful Placing, Retail Offer and Directors' Subscription that raised approximately £6.2 million after fees on 7 May 2024. The Company said at that time that the Directors anticipated that the proceeds of this fundraise can provide sufficient funding to trade cash flow break-even during 2025, based on base case forecasts which assume both revenue growth and cost savings being achieved over the next 18 months. After making enquiries and producing cash flow forecasts for the period up to 31 December 2025, the Directors have reasonable expectations, as at the date of approving the financial statements, that the Company and the Group will have adequate resources to fund the activities of the Company and the Group for at least the next 12 months from the date of approving these financial statements.

The Group and Company's base case forecast suggests that the Group will not require additional external funding to be able to continue as a going concern. However, in a severe but plausible downside scenario if either the revenue growth forecasts fall below expectations by 50% (which is still considerable growth on 2023) or cost saving initiatives are not achieved, additional funding may be required, within 12 months of approving these financial statements which is not currently committed.

While the financial statements are prepared on a going concern basis, under a severe but plausible downside scenario the future of the Group and Company is dependent on raising additional external funds from new equity, debt or customer contracts within 12 months from the date of approving these financial statements.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

EVENTS AFTER THE REPORTING PERIOD

On 7 May 2024 the Company announced a successful Placing, Retail Offer and Directors' Subscription that raised £6.8 million before fees, £6.2 million after fees. With the exception of the Director subscription element, amounting to £180k, all of these funds were received prior to the approval of these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are set out on pages 25 to 27.

CAUTIONARY STATEMENT

The Strategic Report, comprising the Business and Financial Reviews, has been prepared for the shareholders of the Company, as a body, and no other persons. Its purpose is to assist shareholders of the Company to assess the strategies adopted by the Group and the potential for those strategies to succeed, and for no other purpose. The Strategic Report, containing the Business and Financial Reviews, contains forward-looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the sector and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in the Strategic Report, comprising the Business and Financial Reviews, will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation.

Nic Hellyer
Chief Financial Officer
3 June 2024

MANAGING OUR RISKS

MANAGING RISK

RISK MANAGEMENT PROCESS

The Company continues to use its formal risk management process. Formal detailed risk assessments are completed every six months across the business. Responsibilities for the management of each identified risk are assigned. The summarised risks are presented to the Audit Committee for review, comment and approval.

Risks are identified by all business functions and territories in a standardised format that requires units to:

1. Identify and specify the risk
2. Assess its impact on a scale of 1 (low) to 3 (high)
3. Assess its probability of occurring on a scale of 1 to 3
4. Assign a risk rating calculated as the product of the impact and probability ratings
5. Assess mitigating controls on a scale of 1 to 3
6. Assign a residual risk rating calculated as the product of risk rating and mitigation

The maximum risk rating is 27 (where each scale is graded as a 3), the minimum risk is 1 (where each scale is graded as 1). All risks with a residual risk rating of 12 or more are highlighted for review. These risks are further assessed to determine whether they are significant enough to be designated as overall Company risks or whether they are specific departmental or territorial risks.

The Company's overall risk register is created by consolidating inputs from all divisional heads and senior management team members who are asked to document risk areas within their divisions using a standardised format and the scoring system outlined above. They are also asked to divide the risks they identify between divisional risks and corporate level risks. This data is consolidated by the Group finance team who cross-check it and review it to ensure a consistent perspective across divisions. The full risk register is then reviewed by the CFO before being shared with the Company's Audit Committee.

The Company's Audit Committee consider whether the risks are complete and whether risks are being treated optimally since it may not be economic to remove the risk (for example, foreign exchange exposures are not currently hedged though they may be in the future). Company residual risk ratings of 12 and above receive regular Audit Committee review and are addressed where practical. The Audit Committee reports its work to the Board at each relevant Board meeting.

The CFO has been delegated to manage Company-level risks on a regular basis.

MANAGING OUR RISKS CONTINUED

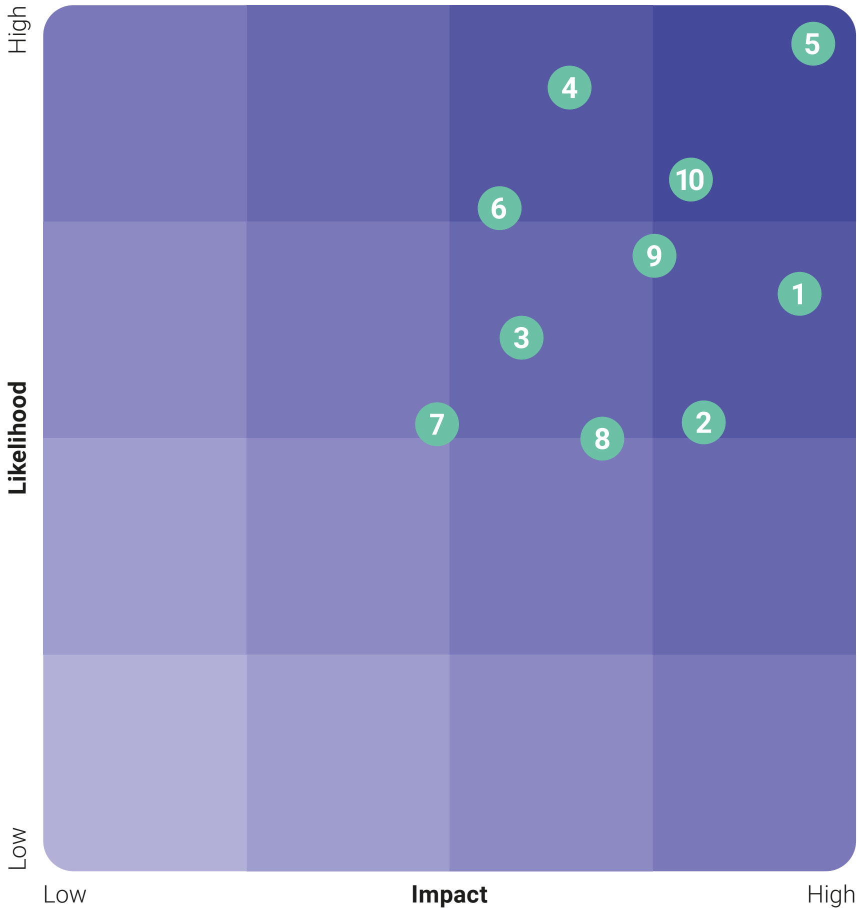
RISK APPETITE

Mirriad remains an early-stage business and presents an inherently risky investment for shareholders. The Board has therefore agreed on a conservative approach to risk. Each risk identified in the risk register has an identified owner who is responsible for ensuring that the risk is optimised as far as possible, taking into account that not all risks can be fully mitigated economically.

The Board holds Executive management accountable to ensure that they manage the business on a day-to-day basis in a way that doesn't increase the risk profile of the Company without explicit acknowledgement and debate at the Board. As general guidance, Executive management has been asked to run the business in such a way that the Company is not put at significant financial, operational or reputational risk over and above the inherent risks of being an early-stage business.

RISK HEAT MAP

The table illustrates the key and significant risks identified and managed by the Company.



1. Failure to drive revenue
2. Lack of content supply – reliance on supply partners to clear content
3. Ability to attract and retain staff
4. Competitor risk
5. Working capital risk – the business needs to raise additional capital in future
6. Technology risk – the need to continually develop technology to stay relevant
7. Foreign exchange risk – many costs and revenues transacted in foreign currencies
8. Centralised production risk – centralisation of production in India creates a single point of failure in the event of physical or other loss of facility
9. IP risk – infringement of the Company's IP by a third party
10. Macroeconomic risk – Uncertainty caused by the war in Ukraine, spiking inflation, rising interest rates, slow down in growth, Israel, problematic logistics, China slowdown and risk of recession

PRINCIPAL RISKS

1

FAILURE TO DRIVE REVENUE

Link to strategy

A B C

Risk description

Revenue generation is dependent on demand from media agencies and brands.

Mitigation

The Company has focused on striking deals with the largest US content suppliers which will improve the volume and, critically, the quality of content while at the same time it is building programmatic transactional capability; taken together, this should reduce the revenue generation risk.

Change

Reduced risk

2

LACK OF CONTENT SUPPLY – RELIANCE ON SUPPLY PARTNERS TO CLEAR CONTENT

Link to strategy

A B C

Risk description

The Company relies on its distribution partners to supply rights-cleared content that allows digital insertion.

Mitigation

The Company has focused on striking deals with larger US content providers who have a greater volume of higher-rating content rather than simply adding to the number of supply partners.

Change

Reduced risk

3

ABILITY TO ATTRACT AND RETAIN STAFF

Link to strategy

A B C

Risk description

The Company's employee value proposition remains under strain with tight labour markets and staff cost inflation increases driving the Company's cost base up.

Mitigation

Staff survey results continue to show exceptionally high levels of satisfaction. The Company is conscious that these employee ratings are not fixed or guaranteed and remains vigilant in the area.

Change

Reduced risk

4

COMPETITOR RISK

Link to strategy

A B C

Risk description

The Company continues to monitor the market for competitor activity. Increasing competition in its core markets could damage the business's growth prospects and/or disrupt pricing and business model.

Mitigation

The Company believes it remains the market leader in its field and that no competitor matches its services in terms of capability. The Company continues to invest heavily in technology, developing its patents and know-how.

Change

No change

Key to strategy links

A Adoption B Integration C Automation

PRINCIPAL RISKS CONTINUED

5

WORKING CAPITAL RISK – THE BUSINESS NEEDS FURTHER CAPITAL TO CONTINUE TRADING

Link to strategy

A B C

Risk description

The Company remains loss making and will need to raise additional capital to continue to trade.

Mitigation

On 7 May 2024 the Company announced a successful Placing, Retail Offer and Directors' Subscription that raised £6.8 million before fees, £6.2 million after fees.

Change

No change

6

TECHNOLOGY RISK – THE BUSINESS MUST CONTINUALLY INVEST IN TECHNOLOGY

Link to strategy

A B C

Risk description

The Business needs to ensure its technology is market leading and that it adapts and builds for the programmatic future.

Mitigation

Technology is now the largest cost category in the Company's budget and the Board have agreed to continue to invest significant sums in product and technology development.

Change

New risk identified for 2023

7

FOREIGN EXCHANGE RISK – MANY COSTS AND REVENUES TRANSACTED IN FOREIGN CURRENCIES

Link to strategy

A B C

Risk description

The Company is exposed to a variety of currencies and currently earns little revenue in Sterling.

Mitigation

The Company has a degree of natural hedging in place as it has revenue-generating units in most of the territories where it has cost exposure. We are an immature business with uncertain cash flows both in terms of timing and amount and therefore more formal hedging is challenging, but we will continue to monitor the risk.

Change

No change

8

CENTRALISED PRODUCTION RISK – CENTRALISATION OF PRODUCTION IN INDIA CREATES A SINGLE POINT OF FAILURE IN THE EVENT OF PHYSICAL OR OTHER LOSS OF FACILITY

Link to strategy

A B C

Risk description

The Company has centralised production services in India for efficiency and cost reasons but this creates a single point of failure. In the event of loss this impacts the Company's ability to deliver revenues at scale.

Mitigation

Distribution of services in the cloud mitigates single point of failure and allows remote working in case of infrastructure issues.

Change

No change

9

IP RISK – INFRINGEMENT BY THIRD PARTY

Link to strategy

A B C

Risk description

The Company's IP may be infringed by emerging competitors and the Company may not have sufficient resources to successfully defend its IP.

Mitigation

The Company actively monitors the market to scan for potential IP infringements.

Change

No change

10

MACROECONOMIC RISK

Link to strategy

A B C

Risk description

Elevated uncertainty is continuing, with high interest rates and inflation generally above central bank targets. The Company's main market is the US and evidence points to a 'soft landing' in this market albeit that the uncertainty has impacted the advertising market and resulted in lower than expected advertising growth in 2022 and 2023.

Mitigation

Not possible for the Company to mitigate on the revenue side. The Company controls its costs as far as possible with centralised procurement and active quarterly forecasting.

Change

No change

Key to strategy links

A Adoption B Integration C Automation

REALISING POSITIVE CHANGE

The Company published a comprehensive ESG framework in November 2020. In its 2022 Report and Accounts the Company noted that further progress in developing ESG measures would depend on the outcome of the Strategic Review started at the beginning of 2023. Following the successful fundraise in May 2023 the Company has continued to review how best to develop its ESG activities and has opted generally to maintain the level achieved by the end of 2022. The Company has always stated that its ESG activities needed to be proportionate to the Company's stage of development. The Company's 2020 Framework policy stated that:

1. Environmental – we are concerned about our impact on the world and our commitment to future generations.
2. Social – we want to make a positive contribution to the various stakeholders our business interacts with and beyond. This is not just how we share the financial returns but also the difference we can make for the greater good.
3. Governance – we conduct ourselves in a fair, honest and open manner.

Over the course of 2023, the Company has continued its carbon accounting and offsetting (Environmental) work, has maintained its giving back initiatives (Social) albeit that there has been a significant reduction in headcount and the restructuring work has meant that there is a reduced emphasis on this area, and has maintained Board diversity alongside the Company's strong Governance practices including 10+ Board meetings a year and 100% Director attendance (Governance). The Company also continues to progress six of the UN Sustainable Development Goals as outlined on page 30.

In the table we set out the Company's main initiatives during 2023. Further information on some of these areas can be found on pages 30 to 36 of this report.

ENVIRONMENTAL

2023 initiatives

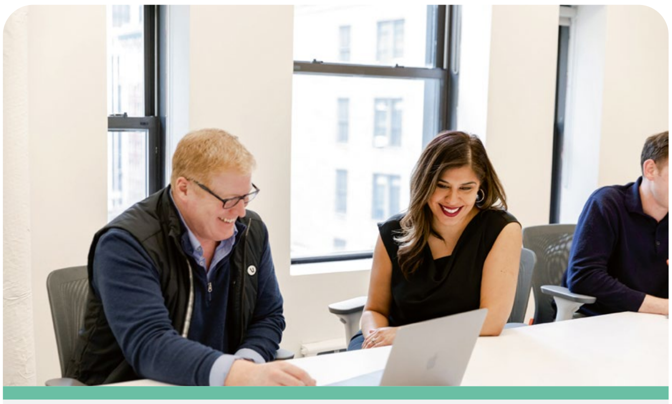
- Continued carbon accounting and offsetting

Outcomes

- The Company continued to use the paid for carbon footprint calculator supplied by Carbon Footprint Limited
- The calculator allows a detailed estimate of the Company's carbon footprint at 132 tonnes of CO_2 (2022: 185 tonnes)
- This was a significant reduction on the previous year as the Company closed its Chinese business and its New York staff started working fully remotely. The reduction in headcount also contributed to this decline
- The Company offset 100% of its estimated carbon emissions by purchasing carbon credits
- Specifically selecting projects aligned to the Company's areas of operations in India and the US
- No offset projects were available in the UK so the Company once again funded the planting of one tree for each UK employee

2024 plans

- To maintain the current level of carbon accounting

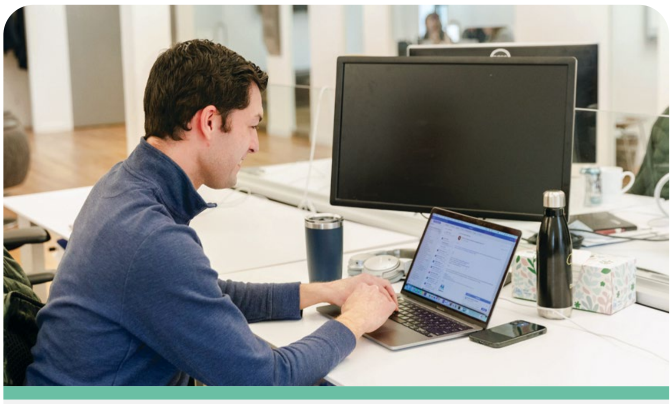


SOCIAL

2023 initiatives
- Work to embed our values into HR and recruitment processes
- Continued focus on diversity and inclusion initiatives
- Continue promotion of giving back initiatives across the business

Outcomes
- Mandatory online Equality & Diversity training required for all staff

2024 plans
- Refresh the statement of Company values
- Consider further opportunities to embed our values into HR and recruitment processes
- Continue to encourage staff to give back and maintain our volunteering policy



GOVERNANCE

2023 initiatives
- Development paused as Company undertook a Strategic Review in H1 2023
- ESG focus at main Board maintained

Outcomes
- Level of ESG activity maintained at 2023 level
- Board slimmed down and two non-independent NEDs stepped down from the Board, meaning that all NEDs are now considered independent

2024 plans
- Monitor developments in the corporate ESG environment and reflect on further areas for development

MIRRIAD AND THE UN SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

In this section we outline how Company initiatives and approach align with some of the UN's SDGs. The table sets out Mirriad's key areas of focus and the Company's contribution.

UN SDG	Mirriad contribution
3 GOOD HEALTH AND WELL-BEING	• All staff have access to private medical insurance in all offices • Continued investment in mental health first aiders and continued awareness raising of mental health and wellbeing issues for all staff • Company vaccination policy remains in place
5 GENDER EQUALITY	• We continue to refine our recruitment processes to ensure they are as gender neutral as possible and continue to consider initiatives aimed at increasing female participation in our workforce • We set pay and reward by role on a gender blind basis • All staff were required to complete an online training course covering Equality & Diversity
8 DECENT WORK AND ECONOMIC GROWTH	• We continue to review our salaries in each market and work to ensure that we provide fair rates of pay and reward for all our staff • All staff are part of the Company bonus scheme which covers everyone from the CEO downwards with the exception of sales staff who have separate schemes
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• We have continued to invest heavily in technology development to ensure that our product remains market leading
13 CLIMATE ACTION	• We have continued to measure and offset our carbon footprint • We continued to use a paid for calculator to calculate our carbon footprint and have offset our emissions for 2023
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• We have a zero tolerance of bribery and corruption. All our staff undertake mandatory online training covering bribery and corruption on an annual basis and must successfully complete the post-course assessment • We have a long-established whistle-blowing policy and any staff member may talk confidentially to one of our Directors if they have any concerns

SUSTAINABILITY

The Company published its ESG Framework in November 2020. During 2023 we have maintained our engagement with ESG matters.

HELPING THE ENVIRONMENT VIA CARBON OFFSETTING

During 2023 we continued to measure and offset our carbon footprint using a paid for detailed carbon footprint calculator purchased from Carbon Footprint Limited. We have detailed data records of all flights taken by Company staff and have been able to estimate staff commuting patterns and modes of transport allowing us to calculate emissions generated by home to office travel.

carbon footprint™

Office commuting patterns are now stable as hybrid working models have been adopted in London and New York and our Indian staff have returned to their office full time. In June 2023 we let the lease on our New York office lapse and all our New York-based staff are now fully remote, coming into New York occasionally to meet as a team. We have formalised our hybrid working pattern for London-based staff who, at a minimum, come to the office once a week. The business in China was fully closed at the end of March 2023. As a result of all these changes we have seen a reduction in our calculated carbon footprint, which reduced to 132 tonnes of CO_2.

As in previous years we spoke to Carbon Footprint Limited about options to offset this CO_2. They created a bespoke offsetting plan for Mirriad that aligns the projects to the regions where Mirriad operates, albeit that there were no offset schemes available for the UK, so we looked at projects in the US and India. Under this plan we have:

1. Purchased carbon credits against four specific projects and planted trees in the UK for each staff member.
2. The four offset projects included are:

REFORESTATION OF DEGRADED LAND BY MTPL IN INDIA

Country: India

Type: Afforestation (Carbon Removal)

29 tonnes

CO_2 offset

The project involves carbon sequestration of degraded lands through reforestation activities. Many discrete parcels of degraded land that are owned by small and poor farmers or tribal communities, who do not have the capability of plantation without any external financial support and technical guidance are reforested under the Farm Forestry Scheme.

The project encompasses 12,437 parcels of land measuring 14,969.46 hectares owned by 12,002 farmers distributed in seven districts across three states, Odisha, Andhra Pradesh and Chhattisgarh, the majority being in Odisha, which constitutes almost 83% of the area of the project, with 14% in Andhra Pradesh and only 3% in Chhattisgarh.

13 CLIMATE ACTION

15 LIFE ON LAND

Verified Carbon Standard
A VERRA STANDARD

DISTRIBUTION OF IMPROVED COOK STOVES

Country: India

Type: Cookstove

29 tonnes

CO_2 offset

The purpose of the project is to facilitate clean cooking practices and reduce health risk due to indoor air pollution amongst the tribal households and families living below the poverty level in the villages of Maharashtra through dissemination of improved cook stoves.

The improved cook stoves, through replacement of inefficient traditional cook stoves, will contribute towards reduction of greenhouse gas emissions and by-products of incomplete combustion like black carbon, as well as helping to conserve fuel wood and thereby preventing forest degradation.

Successful operation of the project will encourage rural residents to shift from using traditional cook stoves to the improved and modern cook stoves provided here.

SOLAR GROUPED PROJECT BY ACME GROUP

Country: India

Type: Solar Power

30 tonnes

CO_2 offset

The project activity generates electricity using solar energy. The generated electricity is exported to the regional electricity grid system in India. The grouped project activity is a step towards supporting the implementation and installation of grid-connected renewable energy power plants in India.

The project ensures energy security, diversification of the grid generation mix and sustainable growth of the electricity generation sector in India. The main goal is to implement renewable energy projects in the country and the significant importance of revenues from sale of Verified Carbon Units ("VCUs") to achieve this goal forms the basis of the implementation.

It seeks to enable investment in large and small grid-connected plants that export their generated output to the regional and national electricity grid in India. The implementation of these technologies currently faces various technological, institutional and financial barriers. In addition to providing sustainable employment (and helping to reduce poverty) the project developer also provides improved healthcare, sanitation and educational support to the communities where the projects are based.

UNIVERSITY OF WISCONSIN-MILWAUKEE CAMPUS-WIDE CLEAN ENERGY AND EFFICIENCY PROJECT

Country: USA

Type: Renewable Energy and Energy Efficiency

44 tonnes

CO_2 offset

The project aims to reduce greenhouse gas ("GHG") emissions by implementing various energy efficiency and sustainability measures across the campus buildings and facilities.

The first measure involved targeting the campus's energy-intensive buildings. The approach focused on 'bundling' short-term and long-term energy conservation measures, such as lighting improvements, insulation upgrades, conversion of pneumatic controls to digital controls, and implementing variable air volume systems. These measures aimed to optimise energy usage and reduce emissions.

The second measure targeted laboratory spaces, which are known for high energy demands. In collaboration with the Office of Sustainability and campus Safety and Assurances, the project implemented a 'Shut the Sash' programme to properly adjust fume hoods and communicate best practices for keeping the hood sash closed, thereby improving air flow and reducing energy consumption.

Additional measures included behaviour change campaigns, communications promoting energy and water conservation, student competitions, staff training programmes lighting retrofits with high-efficiency fixtures and occupancy sensors, and the installation of a large green roof with solar photovoltaic panels at the Golda Meir Library.

The project also involved retro-commissioning and upgrades to building systems, including improvements to energy management systems, heating and cooling equipment replacements, lighting enhancements, plumbing upgrades, and building envelope improvements to reduce air leakage.

The University of Wisconsin-Milwaukee also achieved LEED certifications for several buildings, including the construction of new LEED-certified structures and the historic reuse and renovation of existing buildings.

Overall, the carbon offset project at the University of Wisconsin-Milwaukee campus implemented a comprehensive set of measures targeting energy efficiency, renewable energy generation, and sustainable practices across various campus facilities and operations, ultimately contributing to reducing the university's carbon footprint and greenhouse gas emissions.

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Verified Carbon Standard
A VERRA STANDARD

SUSTAINABILITY AND ESG CONTINUED

In addition, since no offset project was available in the UK the Company funded Carbon Footprint Limited to plant 40 trees in the UK to cover one for each Mirriad UK staff member.

UK TREE PLANTING

Country: England, Wales and Scotland

Type: Tree planting

This project provides an opportunity to plant trees in the UK.

The majority of trees we plant are cell-grown whips (between 40–80cm high dependent on species) to give them the best chance. All trees are native UK species that have been grown from UK seeds in UK nurseries. The trees are typically planted across school grounds, parks, farms, woodlands and other biodiversity sites, providing wildlife habitats and often bringing additional educational and community benefits.

Typical species planted include: Hawthorn, Sessile Oak, Hazel, Downy Birch, Guelder Rose, Field Maple, Rowan, English Oak, Blackthorn, Wild Cherry

Verified Carbon Standard
A VERRA STANDARD

SOCIAL IMPACT: PEOPLE AND CULTURE

We have maintained a high level of Company-wide Town Hall meetings, averaging two per month across 2023. This allowed the Company to maintain informed relationships with our employees forged over the last several years.

We have continued to review hybrid working models on a territory-by-territory basis and are reviewing the benefits and disadvantages of different working patterns so that we can adapt as we learn. In general our Indian staff are fully office based, our US team are fully remote following a decision to not renew the New York office lease that expired in June 2023, and our staff in the UK are working on a hybrid basis with at least one day a week spent in the London office.

We have continued to require all our staff to undertake a mandatory online training module addressing Equality & Diversity. We remain committed to creating a positive and diverse culture across our operating bases and to constantly assess our structure and resourcing to ensure we allocate the right people to the right roles in the right geographies.

THE MIRRIAD TEAM

The China office was closed down at the end of March 2023 and the remaining five employees were made redundant as planned.

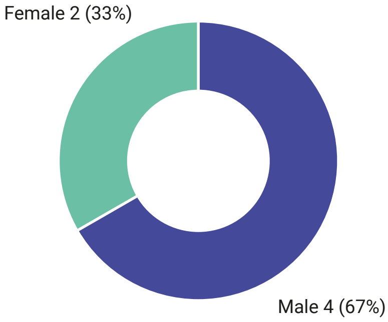
In early 2023 the Company undertook a strategic review and consultation exercise, which resulted in a restructuring and 19 employees, primarily from the Technology and Sales teams, across all regions leaving the business.

Outside of this, our staff turnover is low, reflecting industry standards, with almost half of our staff having five or more years of tenure and an average of four years' service.

DIVERSITY AT MIRRIAD

Mirriad remains a diverse organisation with around one-third of staff self-identifying as persons of colour. We also ask candidates who apply via our applicant tracking system to provide additional data on a voluntary basis to gauge the diversity of applicants to our job advertisements.

Board



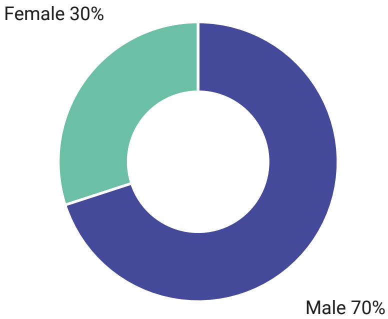
The Mirriad team

93

people

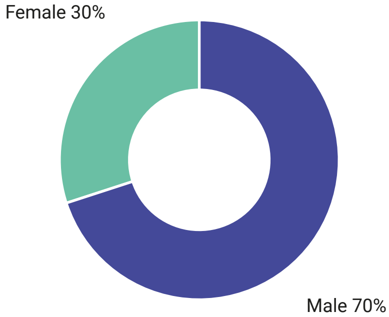
Our female participation level dropped slightly in the year to 30% versus 35% in 2022. This was due to a number of factors, including the closure of the China office where females made up 60% of the workforce. In the 2023 restructure the staff made redundant were 32% female and 68% male, and there were additional departures through the year as a result of general staff turnover.

Whole team



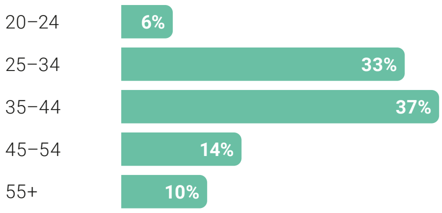
Female representation at manager level has dropped slightly to 30% (versus 36% in 2022) but remains in line with the overall male to female staff ratios.

Manager



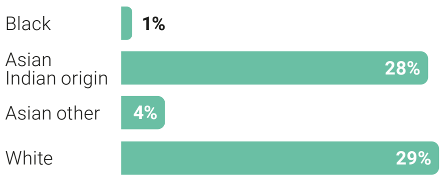
The business continues to have a relatively balanced age profile:

Age



Across the business we are proud to have a balance of ethnicities reflecting our different operating bases (note this is self-reported, voluntary data and is not a complete data set):

Ethnicity



ENGAGING WITH OUR TEAM

As previously reported, we use a variety of methods to engage with our team:

- We continue to hold global Town Hall meetings twice a month on average. This allows us to share updates with the whole Company and to answer any questions, which the team can send confidentially. We also conduct a staff survey annually
- We ran our annual anonymous survey in December 2023 and we were pleased by the level of participation across all regions, with 82% of staff responding (versus 87% in 2022)
- Despite the Company undergoing staffing changes in the past 12 months, results show that there is now 99% of employees saying they agree, or strongly agree, with the statement "I am proud to work at Mirriad"

The results to all 14 statements sit in a narrow band with between 99% and 82% of staff agreeing, or strongly agreeing, with the statements.

The main findings were that:

- All of the top four statements with the highest levels of satisfaction were higher than 2022:
  - I am proud to work at Mirriad (99% agreeing or strongly agreeing)
  - I am happy with the relationship between myself and my manager (98% agreeing or strongly agreeing)
  - I am inspired and motivated by my manager (98% agreeing or strongly agreeing)
  - My colleagues are committed to doing quality work (97% agreeing or strongly agreeing)
- Of the four statements with the lowest level of satisfaction, the lowest one has decreased slightly from the prior year while the other three have increased.
  - I regularly receive constructive feedback about my performance in role (82% agreeing or strongly agreeing)
  - My performance is measured against outcomes and metrics that are clearly explained (85% agreeing or strongly agreeing)
  - My manager shows a genuine interest in my career aspirations (87% agreeing or strongly agreeing)
  - In my role there are ongoing opportunities to learn and grow (88% agreeing or strongly agreeing)

Overall this is really positive, and taking into account other encouraging feedback from the survey, Mirriad continues to provide a culture which is rewarding, supportive and engaging.

We are delighted that our staff satisfaction levels have remained consistently high, but this does not mean that we are complacent. We work hard to promote a culture of respectful communication, collaboration and transparency, with shared goals and well-defined values and ways of working.

SOCIAL IMPACT AND GIVING BACK

We continue to promote the Mirriad Volunteering Policy, which grants two days of paid leave per annum for volunteering activities, and made this available to all employees during the year.

Giving back to the communities in which we work and embracing an inclusive, equitable and inclusive culture have also remained a primary focus.

Our staff ESG committee promotes our giving back agenda and environmental awareness, contributing to the Company's overall ESG agenda.

Information on how we have addressed governance areas is covered in more detail in the section covering the Company's Governance Framework on pages 37 to 44 of this Annual Report.

INTRODUCTION TO CORPORATE GOVERNANCE

CHAIRMAN'S INTRODUCTION

On behalf of the Board, I am pleased to present our Corporate governance statement for the year ended 31 December 2023.

As previously reported the Company fully complies with the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") and we have continued to monitor best practice developments in applying the Code.

A key element of my role is to make sure that the Company operates to high standards of governance and that we consistently apply high governance standards throughout the Group.

2023 saw some significant changes in our Board composition with Alastair Kilgour and Lois Day stepping down from the Board in June 2023, Nic Hellyer joining the Board as CFO in November and David Dorans leaving the Board at the end of December. I want to thank Alastair, Lois and David for their contribution to the work of the Board and we wish them well in their future endeavours. The Board now has four independent Non-executive Directors and two Executive Directors.

MY ROLE AS CHAIRMAN

My role is to ensure that the Board operates effectively in delivering long-term success for the Company and its stakeholders. Part of this involves ensuring that Board meetings are conducted to allow all Directors to have the opportunity to express their views openly and that the Non-executive Directors are able to provide constructive support and challenge to the Executive Leadership Team.

CULTURE AND BUSINESS ETHICS

The Company has consistently worked to ensure that it has created a culture in which staff feel comfortable raising concerns and issues as well as ideas and proposals that allow the business to innovate and develop. This is demonstrated by the outstanding results seen yet again in the Company's annual staff survey feedback. This is all the more impressive given the significant change and restructuring of the Group during 2023. The staff survey has demonstrated exceptionally high levels of satisfaction over a sustained period and this is a tribute to Stephan's leadership and the work of the wider management team in establishing an open culture. I remain delighted that the Company has managed to maintain and, in some areas, increased staff satisfaction. We have provided more detail on this in the section on stakeholders and people earlier in this report.

All of the Directors consider it essential that stakeholders continue to trust the way the Group operates and that Mirriad maintains a consistent reputation for ethical business practices and high standards of integrity. Governance, training of our teams and raising awareness of what constitutes good governance are vital to doing this. We have continued to require mandatory online training for all staff covering business ethics, fraud prevention and corruption, whatever their location, and require all our teams to adhere to UK statutory rules. It remains critical that senior managers are actively involved in ensuring our culture and ethical values are shared by all employees. Using online training has allowed the Company to monitor completion of that training across the Group and address any areas of concern.

John Pearson
Non-executive Chairman
3 June 2024

EXPERIENCE AND INSIGHT

JOHN PEARSON

Non-executive Chairman

Experience

Joined the Board in October 2017. On 30 April 2019 John Pearson took up the role of Non-executive Chairman. John has a long history in advertising and media along with commercialisation and general business development of rapidly growing companies. He brings plc board experience to the Company. John's role is to run the Board, ensure the correct corporate governance is in place, challenge the strategy proposed by Executive management and take into account the views of wider stakeholders.

Prior expertise

Former CEO of Virgin Radio and Virgin Radio International, director of Ginger Media, chairman of Shazam and co-founder of World Architecture News.com and food.com.

Sector experience

Advertising, marketing, technology, digital, corporate governance and M&A.

STEPHAN BERINGER

Chief Executive Officer

Experience

Joined the Board in October 2018 to take on the role of Chief Executive Officer following a long career in the advertising industry where he covered a breadth of roles from creative to strategy to technology to data. Stephan has been tasked with renewing the Company's strategy and the way it operates to ensure that the Company is on a path to growth.

Prior expertise

President of data, technology and innovation at Publicis. CEO of VivaKi, driving the transformation of Publicis' programmatic buying and servicing model. He has worked with some of the world's biggest brands including McDonald's, Audi, Nissan, Asus, P&G and Michelin, and led key technology partnerships and initiatives with companies such as Adobe, Microsoft and Google.

Chief growth and strategy officer for the digital technologies division of Publicis Groupe, international CEO for Digitas and Razorfish, and global chief strategic officer and president of Tribal DDB EMEA.

Sector experience

Advertising, media and digital agencies, technology, business strategy and M&A.

NIC HELLYER

Chief Financial Officer

Experience

Joined the Board in November 2023 following a career in senior banking and CFO roles. Nic's task is to manage the financial and risk aspects of the Company as well as leading the human resources function.

Prior expertise

A qualified chartered accountant with substantial equity capital and M&A experience from UBS Investment Bank and HSBC, alongside small and mid cap-focused public markets experience from Singer Capital Markets and CFO roles with Byotrol and Bannix Acquisition Corp. in the US. Most recently he gained highly relevant sector experience as CFO at Pelatro Plc, a provider of proprietary software solutions to enterprise-level customers, that uses big data analytics to customise promotions to customers.

Sector experience

Financial management, corporate governance, risk management, equity capital markets, technology.

(A) Audit Committee member

(R) Remuneration Committee member

Committee Chair

BOB HEAD

Non-executive Director

Experience

Joined the Board in June 2019 following a career in senior financial roles across many sectors with a focus on technology.

Prior expertise

A qualified chartered accountant, an Associate of the Chartered Insurance Institute and a Fellow of the Institute of Bankers. A long career in financial services including tenure at Prudential (where he co-founded Egg plc, the first UK internet bank) and the Co-operative Bank plc (where he was the first CEO of smile.co.uk) and nine years spent in various senior roles with Old Mutual. He has also spent time in South Africa where he was a member of the executive committee of the South African Revenue Service and interim chief financial officer at South African Airways.

Sector experience

Financial management, risk management, technology, corporate governance, M&A and HR.

JOANNA FOYLE

Non-executive Director

Experience

Joined the Board in July 2022. JoAnna has a depth of experience in the global advertising technology industry gained by holding executive leadership positions in operations, client services, marketing and strategic partnerships.

Prior expertise

JoAnna most recently served as senior vice president, global inventory at The Trade Desk. Before joining The Trade Desk, JoAnna was chief operating officer at OpenSlate ahead of its sale to DoubleVerify. Prior to that, JoAnna held executive roles at Rapt (acquired by Microsoft), FreeWheel (acquired by Comcast), Adap.tv (acquired by AOL), and AOL (acquired by Verizon).

Sector experience

Advertising, media, technology, fundraising, change management, M&A, and business strategy.

NICOLE MCCORMACK

Non-executive Director

Experience

Joined the Board in June 2022. Nicole has a depth of experience in the demand side of the advertising market having held a range of senior leadership positions on the revenue generating side of a number of organisations ranging from later stage start-ups to more mature organisations. She is currently general manager advertising and commerce at TeamSnap in Los Angeles.

Prior expertise

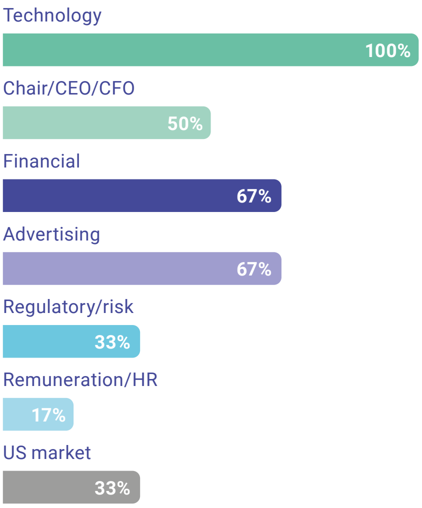
Before joining TeamSnap, Nicole was head of advertising partnerships at Quibi and senior vice president revenue strategy and operations at Flipboard. Prior to that Nicole held senior roles at Martha Stewart Living Omnimedia and IAC/InterActiveCorp Advertising Solutions. She graduated with a BA Economics from Cornell.

Sector experience

Advertising and revenue strategy, media, technology, M&A and business strategy.

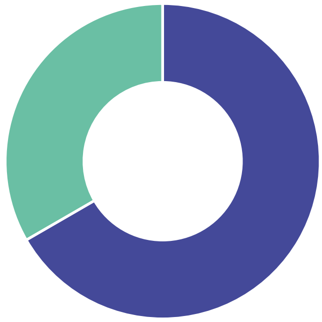
COMPOSITION OF THE BOARD

Board skills and experience



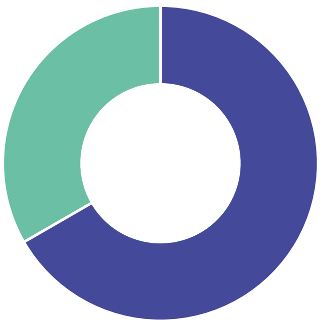
Board members by gender

Male	4
Female	2



Balance of the Board

Non-executive	4
Executive	2



Board members by nationality

American	2
German	1
British	3

Directors' tenure

1–2 years	3
2-5 years	1
5+ years	2

CORPORATE GOVERNANCE STATEMENT

BOARD EFFECTIVENESS

As in previous years the Board conducted an effectiveness survey led by the Chairman and Company Secretary at the end of 2023. The evaluation was done using a questionnaire sent to all Directors, which was returned confidentially to the Company Secretary, who collated the findings. The full results of the evaluation, including verbatim comments from the Directors, were discussed at the Board meeting in January 2024 where actions to be taken during 2024 were agreed.

A summary of the key insights is set out below.

WHAT IS WORKING WELL?

1. Clear corporate governance structure and the Board have a good understanding of their statutory and regulatory responsibilities as directors.
2. The Board has a good blend of experience, knowledge and skills and a good understanding of the strategic goals and objectives of the Company. Industry developments, market opportunities and threats have been discussed.
3. Good culture of openness on the Board, with all Board members contributing to important issues, and challenge of views being welcomed.
4. Strong leadership from the Chair and effective operation as a board.
5. Largely positive feedback on effectiveness of Audit and Remuneration Committees.

AREAS WHERE THE BOARD IS WORKING LESS WELL?

1. The policies and procedures for Director selection, induction and succession planning are not universally clear and well understood by the full Board.
2. Racial/ethnic diversity of the Board and the gender imbalance of the Board and Executive leadership team were flagged as issues to keep an eye on.
3. Board engagement with staff and shareholder communications could be increased and improved.
4. Lack of clear performance benchmarking against competitors or similar organisations.
5. Differing views of performance evaluation and effectiveness of the Board, and a lack of development plans and objectives noted for Directors

ACTIONS FOR 2024

1. Consider involving more of the Board in stakeholder engagement where it would be appropriate and beneficial to do so.
2. Consider implementing performance evaluation measures for the Board and personal development plans for Directors.
3. Continue allocating time for deep dives into particular areas of the business to help Board understanding of the Company.

BOARD COMPOSITION AND RESPONSIBILITIES

The Board's primary role is to focus on building shareholder value by identifying and assessing business opportunities balanced against the associated risks and ensuring the interests of all stakeholders are considered.

The Group is controlled by a Board of Directors which, as at 31 December 2023, comprised a Non-executive Chairman, three other Non-executive Directors and two Executive Directors. The Board considers four of its members to be independent.

The Chairman is John Pearson and the Chief Executive Officer is Stephan Beringer.

The overriding responsibility of the Board is to provide clear, entrepreneurial and responsible leadership to the Group within a framework of efficient and effective controls so as to allow the key risks and issues facing the business to be assessed and managed. The Board operates both formally, through Board and Committee meetings, and informally, through regular contact between the Directors and senior executives. There is a schedule of matters specifically reserved to the Board, including approval of interim and annual financial results, setting and monitoring of strategy and examining business expansion possibilities. The Board is supplied with sufficient information in a timely manner, in a form and quality appropriate to enable it to discharge its duties. The Directors can obtain independent professional advice at the Group's expense in the performance of their duties as Directors.

Senior executives below Board level attend Board meetings when appropriate to present business updates.

During 2023 the Board used a mix of video conference and in-person meetings. Following the appointments of JoAnna Foyle and Nicole McCormack both of whom are US based, many Board meetings have been hybrid, with the majority of Board members meeting in person in London and the US Directors by video conference.

The roles of Chairman and Chief Executive are separate, and there is a clear division of responsibility at the head of the Group. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing business strategy and plans to the Board, implementing them once approved and overseeing the management of the Group with the Group's other senior executives.

BOARD INDEPENDENCE, APPOINTMENT AND RE-ELECTION

The Board considers the Chairman, Bob Head, JoAnna Foyle and Nicole McCormack, Non-executive Directors, to be independent. Both the Chairman and Bob Head have existing options to purchase shares in the Company. In addition, most Directors hold shareholdings in the Company, reflecting their belief in the Company and to ensure their interests align with those of the wider investor base (see Directors' holdings in the Company in the Directors' Report).

CORPORATE GOVERNANCE STATEMENT CONTINUED

BOARD INDEPENDENCE, APPOINTMENT AND RE-ELECTION CONTINUED

The Board is satisfied that both John Pearson and Bob Head are independent in character and judgement, and that there are no relationships or circumstances that would materially affect or interfere with the exercise of their independent judgement, including the options held. Neither JoAnna Foyle nor Nicole McCormack hold options or shares in the Company.

The Directors' interests in shares and options of the Company are shown in the Remuneration Committee Report (options) and the Directors' Report (shares).

The Board has reviewed its composition and remains satisfied with the balance between Executive and Non-executive Directors. The Board believes that the current composition allows it to exercise objectivity in decision making and properly control the Group's business activities and risks.

The Board notes the recommendations in the QCA Code that a company should have at least two independent non-executive directors and should not be dominated by one person or a group of people. The Board believes it meets this recommendation.

Each of the Directors is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. All Directors appointed by the Board are subject to election by shareholders at the first Annual General Meeting after their appointment and generally serve terms of three years. JoAnna Foyle and Nicole McCormack were elected as Directors at the last Annual General Meeting, being the first Annual General Meeting after their appointment. Bob Head was re-elected at the last Annual General Meeting. Nic Hellyer was appointed a Director by the Board on 23 November 2023 after the last Annual General Meeting. Nic is offering himself for election at the forthcoming Annual General Meeting. In accordance with the Company's articles, John Pearson will also offer himself up for re-election at the forthcoming Annual General Meeting of the Company.

CONFLICTS OF INTEREST

In accordance with an established procedure, all Directors are required to notify the Board of any conflicts of interest at the start of each Board meeting. This is formally recorded in the minutes by the Company Secretary, and any Director disclosing a conflict is required to excuse themselves from the matter on which they have a conflict. Any planned changes to their interests, including directorships outside the Group, are officially disclosed to the Board. There were no relationships declared in 2023 that were considered to conflict with the Company's business and therefore there was nothing that was deemed to affect the independence of the Directors.

BOARD AND COMMITTEE MEETINGS

The Board normally meets on a monthly basis and aims to meet a minimum of 10 times per year for formal Board meetings. It also arranges ad hoc meetings to consider strategic issues and approve key operational decisions as required.

The Executive Directors are responsible for carrying out decisions reached by the Board and, where appropriate, communicating the decisions of the Board and any necessary actions to be taken to the employees of the Company through the appropriate line management channels.

The Directors are expected to attend all meetings and receive appropriate and timely information from the Executive Directors ahead of each Board meeting

MEETING ATTENDANCE

Number of meetings and attendance while in post during 2023

Member	Board*	Audit Committee	Remuneration Committee
John Pearson	20/20	–	–
Stephan Beringer	20/20	–	–
David Dorans	20/20	–	–
Nic Hellyer	1/1	–	–
Bob Head	19/20	5/5	5/5
Lois Day	14/15	2/2	3/3
Nicole McCormack	19/20	3/3	–
JoAnna Foyle	20/20	3/3	2/2
Alastair Kilgour	13/15	–	3/3

* These were the formally scheduled Board meetings.

DEVELOPMENT, INFORMATION AND SUPPORT

The Directors have unrestricted access to the Group's management and advisers. When new Directors are appointed, they receive an induction facilitated by the Chief Financial Officer. This induction includes meetings with key members of the management team and briefings on the Group's business, its industry and public company duties generally. The Directors have continuous access to the knowledge and expertise of senior management, are free to meet with them at any time and can attend Executive management strategy and planning sessions. Directors are also able to get external advice at the expense of the Company should they feel this is necessary.

The Directors have a wide variety of expertise drawn from different industries and business functions. This diversity adds value to the Board as the Directors can draw on their deep and wide range of experiences in other international businesses and publicly listed companies. This means that, collectively, the Directors are able to bring significant expertise to the table, enabling them to make high quality, diverse and relevant contributions to Board discussions. This enriches debate and allows carefully considered judgements to be reached, consensus to be arrived at, and informed decisions to be made. The Non-executive Directors provide both support and constructive challenge to senior management when reviewing proposals. They then monitor performance against agreed strategy and plans over both the short and longer term.

All Non-executive Directors are appointed for an initial term of three years subject to satisfactory performance. Their contracts can be renewed for additional three-year terms following review by the Board and approval by shareholders at the next Annual General Meeting. All Non-executive Directors are expected to devote as much time as necessary for the proper performance of their duties, which is anticipated to be a minimum of two days per month on work for the Company for most Non-executive Directors and approximately five days per month for the Chairman. Directors are expected to attend all Board meetings and meetings of Committees of which they are members and any additional meetings as required.

Neither the Board nor any of its Committees felt it necessary to commission specific external advice on any areas during the year. The Board and Committees do place reliance on external advice commissioned directly by the Company and have direct access to it and the Company's advisers including the Company's NOMAD, which is available to all Directors to provide regulatory and other guidance. Specific advice has been received during the year on fundraising activities and strategic development of the business.

SUCCESSION PLANNING

The Board continually reviews its composition and was pleased to welcome Nic Hellyer to the Board in November 2023. Nic replaces David Dorans as CFO. Following the AGM John Pearson will step down as Chairman and James Black will take on this role. John will remain as a Non-executive Director until the transition is complete.

The whole Board acts as the Company's Nomination Committee and the Company does not have a separate Nomination Committee. The appointment of any new Non-executive Directors is therefore subject to discussion and ratification by the full Board. The Company will continue to monitor whether it would be useful and helpful to create a separate Nomination Committee.

BOARD COMMITTEES

The Board has two Committees: the Audit Committee and the Remuneration Committee.

Audit Committee

The Audit Committee currently has three Non-executive Director members. Throughout the year it was chaired by Bob Head. Until her resignation as a Director on 30 June 2023 the other member was Lois Day. Following Lois's resignation JoAnna Foyle and Nicole McCormack joined the Audit Committee. The Group's external auditors, the Chief Financial Officer and Financial Controller are invited to attend Audit Committee meetings.

The Audit Committee has responsibility for, among other things, monitoring the financial integrity of the financial statements of the Group and the involvement of the Group's auditors in that process. It focuses on compliance with accounting policies and ensuring that an effective system of audit and financial control is maintained, including considering the scope of the annual audit, the extent of the non-audit work undertaken by the external auditors and advising on the appointment of the external auditors. The ultimate responsibility for reviewing and approving the Annual Report and Accounts and the half-yearly reports remains with the Board.

The Audit Committee meets at appropriate times in the financial reporting and audit cycle, and at least three times a year. The terms of reference of the Audit Committee cover issues such as membership and the frequency of meetings, together with requirements of any quorum for, and the right to attend, meetings. The responsibilities of the Audit Committee include the following: external audit, financial reporting, internal controls and risk management. The terms of reference also set out the authority of the Audit Committee to carry out its responsibilities.

Any non-audit services that are to be provided by the external auditors are reviewed in order to safeguard auditor objectivity and independence.

The external auditors have the opportunity during Audit Committee meetings to meet privately with Committee members in the absence of Executive management.

The Group continued to update its risk register during 2023, with the most recent register being compiled in Q4 2023. This register was presented for consideration, review and amendment at the Audit Committee. Not all risks can be mitigated or would be expensive to do so. The approach is very much one to optimise the net risk. Following approval, the risk register was recommended to and adopted by the full Board.

During 2023, the Audit Committee reviewed and debated the report of the Company's external auditors and requested appropriate follow-up by the Chief Financial Officer. The Committee also reviewed the terms of appointment of the external auditors and their proposed audit approach for the 2023 audit (undertaken in 2024).

At each meeting the Audit Committee reviews the progress to clear items noted by the auditors in their management letters.

The Committee has discussed the risk management model. At this stage of development the Committee considers the three lines of defence model premature. However, this will be kept under review.

CORPORATE GOVERNANCE STATEMENT CONTINUED

BOARD COMMITTEES CONTINUED

Remuneration Committee

The Remuneration Committee currently has two Non-executive Director members. It is chaired by Bob Head, and the other Committee members were Alastair Kilgour and Lois Day until 30 June 2023 and JoAnna Foyle from 30 June 2023.

The Company Chairman has a standing right to attend any Remuneration Committee meetings. The Committee meets periodically formally and informally as required and is responsible for overseeing the policy regarding staff and senior executive remuneration and for approving the remuneration packages for the Group's Executive Directors. It is also responsible for reviewing incentive schemes for the Group as a whole and reviewing performance against KPIs and approving payments under the Company short-term incentive scheme.

During 2023, the Remuneration Committee met to agree and sign off the incentive payments recommended by Executive management for the Company, agree and approve base salary changes, agree and approve share option/long-term incentive scheme awards, and review and approve new packages prior to offer for other senior staff appointments (senior staff are defined as those with starting salaries of more than £100,000 basic pay).

Nomination Committee

Due to the size and state of development of the Company, the Directors do not consider it necessary to set up a separate Nomination Committee. Appointments are considered by the Board as a whole. In that sense the Board is the Nomination Committee.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness; the role of management is to implement Board policies on risk management and control. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Group operates a series of controls to meet its needs. These controls include, but are not limited to, a clearly defined organisational structure, written policies, a comprehensive annual strategic planning and budgeting process, and detailed monthly reporting. The Group prepares quarterly forecasts, which are reviewed and approved by the Board as part of its normal responsibilities. The quarterly forecasting process facilitates the Board's understanding of the Group's overall position throughout the year. The Audit Committee receives reports from management and the external auditors concerning the system of internal control and any material control weaknesses.

During 2023, the Company maintained and reviewed its comprehensive risk register with input from all areas of the Group. This was reviewed and discussed by the Audit Committee and ultimately adopted by the full Board. As the risk register process has been in use for some time now it was agreed that the Company would update the risk register twice a year at the end of Quarter 2 and at the end of Quarter 4 in line with publication of results. Once complete the risk register is presented to the Audit Committee for review. Any significant risk issues are referred to the Board for consideration.
The Board has considered the need for an internal audit function, but has concluded that, at this stage in the Group's development, the internal control systems in place are appropriate for the size and complexity of the Group.

The Board has continued to review the system of internal controls periodically and has not identified, nor been informed of, any instances of control failings or significant weakness.

RELATIONSHIP WITH STAKEHOLDERS AND SHAREHOLDERS

The Chairman, CEO and CFO are responsible for handling relationships with investors and analysts and regularly meet with institutional shareholders and potential investors to foster a mutual understanding of objectives. The Company continues to work with Charlotte Street Partners Limited as financial PR advisers.

In 2023 meetings with shareholders were a mix of face to face and video conference. The Company announced it was undertaking a Strategic Review on 20 January 2023 including the potential for a Formal Sales Process under Takeover Panel rules. The Company offered to speak to larger shareholders at the time of this announcement. Ultimately the Board determined that a Placing and Open Offer to raise new equity capital was the most appropriate route forward for the Company. The results of the Placing were announced on 16 May 2023. The Company met with a range of existing shareholders during the Placing process. The Company held a webinar for shareholders and analysts on 22 August 2023 to discuss business progress and the interim results for 2023. This was followed by one-on-one meetings with major shareholders and a webinar for retail investors organised by Yellowstone Advisory on 24 August 2023.

The Chairman and the other Non-executive Directors are available to shareholders and other stakeholders to discuss strategy and governance issues at any time. The Annual Report and Accounts and the strategy update are published on the Company's corporate website, www.mirriadplc.com, and can be accessed there by shareholders.

Open and transparent communication with our employees around the world is a critical element in driving the Group's success. The senior management team is committed to a culture that encourages all staff to contribute ideas and thoughts on how the Group can innovate and drive business. To that end the Group holds frequent video conference Town Hall meetings that all staff can access. Additionally, the Group runs a full annual employee survey with results and actions shared following the analysis of results. More details about this are covered in the earlier section on people.

On behalf of the Board

John Pearson
Non-executive Chairman
3 June 2024

AUDIT COMMITTEE REPORT

MONITORING RISK AND REPORTING

Membership and number of meetings and attendance while in post during 2023

Member	
Bob Head (Chair)	5/5
Lois Day (until 30 June 2023)	2/2
JoAnna Foyle (from 30 June 2023)	3/3
Nicole McCormack (from 30 June 2023)	3/3

The Committee's responsibilities cover a range of areas. In summary, the Committee is responsible for:

1. Monitoring the integrity of the Group's financial statements, including its annual and half-yearly reports, ensuring that accounting policies have been fairly and consistently applied; that estimates and judgements used are reasonable; that, taken as whole, the Group's financial reports are clear and complete; and that all material information presented with the financial statements, such as the Business Review and the Corporate Governance Statements, are accurate. We are mindful of the need to balance the content of the first half of the Annual Report with the financial part.
2. Considering and approving the Group's risk register and discussing and agreeing the optimisation of risk with management. It is not economic to always mitigate all risks; hence the use of the word "optimise". For example, we have reviewed several times whether we should hedge our currencies but have decided not to hedge at this time.
3. Considering and making recommendations to the Board about the appointment, re-appointment and removal of the Group's external auditors and ensuring that at least once every 10 years the audit services contract is put out to tender; overseeing the relationship with the external auditors, including making recommendations on their fees; approving their terms of engagement, including the engagement letter and the scope of the audit; assessing their independence and objectivity, including the provision of any non-audit services; meeting regularly with the external auditors, including once at the planning stage before the audit and once at the reporting stage after the audit, and at least once a year and as required at other times, without management being present, to discuss the auditors' remit and any issues arising from the audit; and reviewing the findings of the audit with the external auditors.

I am pleased to present the report for the Audit Committee for the year ended 31 December 2023.

The Company announced the resignation of Lois Day on 30 June 2023 and I would like to thank her for the help and support. I have noted before that it is good to have fresh eyes looking at audit and governance issues and so it was with Lois. I am pleased that JoAnna and Nicole have joined as Audit Committee members. This is their first role on an Audit Committee but they have already made their mark looking at the half-year announcement, the risk logs and the audit plan. It has kept me on my toes.

The objective of the Audit Committee is to provide oversight and governance to the Group's financial reporting process on behalf of the Board of Directors. In this context we have done much the same as other years. The Audit Committee has done a lot of work looking at the risks facing the business, the economic environment (inflation and potential recession) and cyber risks (where our business partners are a lot more concerned about standards than they have been previously) for the future of the business as well as producing a set of interim and final financial statements we can recommend to the Board and ultimately shareholders.

The qualifications and experience of the Audit Committee members are documented on pages 38 and 39 of the accounts.

The Group's Executive Directors attend meetings by invitation and other senior management are asked to attend meetings when relevant. The Committee meets a minimum of three times per year and at least twice a year with the external auditors present. We had five formal meetings during the year with 100% attendance. We also had a number of informal meetings dealing with audit issues, the financial statements and similar matters.

AUDIT COMMITTEE REPORT CONTINUED

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has overall responsibility for the system of internal controls and risk management. As a relatively small Group there is not the scope for the level of internal control that larger organisations facilitate. Much of the control environment relies on close supervision of subsidiary units and strict control of cash resources from the central finance team under the direction of the Chief Financial Officer. The Audit Committee, on behalf of the Board, has again reviewed the effectiveness of the internal controls and risk management. The Committee also discussed the internal control framework with the Group's external auditors and risks relating to fraud that the Group faces.

In time and as the Group becomes larger we will consider the need for an internal audit function and a dedicated risk function. In addition, a larger organisation will enable the auditors to adopt a controls-based audit rather than a substantive audit (which is more cost effective currently). We believe a controls audit would yield more value to the business when we are a larger business.

The Committee also received and considered reports from the external independent auditors, PricewaterhouseCoopers LLP, which included control findings relevant to their audit. The proper clearance of matters raised is monitored by the Committee.

There is an ongoing process to identify, evaluate and manage the risks faced by the Group. Each business unit or function reports half yearly on key risks identified (previously done quarterly but we moved to half yearly to keep the process fresh) and measures being taken to optimise those risks. These are summarised and reported to the Committee by the CFO before being passed to the full Board by the Committee.

The Strategic Report on pages 01 to 36 contains further details about the business risks identified and actions being taken.

In addition, we look at the "tone at the top" which we consider as good given our size. We also have a whistleblowing facility, which has not been used.

GOING CONCERN REVIEW

The financial statements have been prepared on a going concern basis notwithstanding the Group having made a loss for the year of £10.9 million (2022 restated: £15.3 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 date of approving these financial statements.

The Group's cash balance was £6.1 million at the year end and the Group remains debt free with no external borrowing. The Group's cash balance was £4.5m as at 31 March 2024.

The Company announced a successful Placing, Retail Offer and Directors' Subscription that raised approximately £6.2 million after fees on 7 May 2024. The Company said at that time that the Directors anticipated that the proceeds of this fundraise can provide sufficient funding to trade cash flow break-even during 2025, based on base case forecasts which assume both revenue growth and cost savings being achieved over the next 18 months. After making enquiries and producing cash flow forecasts for the period up to 31 December 2025, the Directors have reasonable expectations, as at the date of approving the financial statements, that the Company and the Group will have adequate resources to fund the activities of the Company and the Group for at least the next 12 months from the date of approving these financial statements.

The Group and Company's base case forecast suggests that the Group will not require additional external funding to be able to continue as a going concern. However, in a severe but plausible downside scenario if either the revenue growth forecasts fall below expectations by 50% (which is still considerable growth on 2023) or cost saving initiatives are not achieved, additional funding may be required, within 12 months of approving these financial statements which is not currently committed.

While the financial statements are prepared on a going concern basis, under a severe but plausible downside scenario the future of the Group and Company is dependent on raising additional external funds from new equity, debt or customer contracts within 12 months from the date of approving these financial statements.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

The Committee is satisfied this is an appropriate basis of preparation and appropriately disclosed in the financial statements.

We have also looked at a break-up basis as a part of ensuring we do not trade recklessly. We estimate that should the business be liquidated then additional liabilities of around £3 million would be incurred (staff redundancies, lease commitments, liquidators fees, etc). At every Board meeting we have looked at the cash flow both on a going concern basis and a break-up basis.

SIGNIFICANT REPORTING ISSUES AND JUDGEMENTS

The areas the Audit Committee has been concerned about are similar to prior years and are listed a little later in the report.

Key Group issues included:

- The amount of new business that could be generated, the investment in the US sales team (i.e. planned increased costs) and whether these impacted our going concern assessment.
- The closure of our Chinese office.
- Tight expense controls.
- A robust assessment of the likely liabilities should the business obtain insufficient funding.

- Particular attention has been paid to cyber risks as well as operational resilience to deliver what we have promised our clients and customers. Increasingly we are seeing clients asking the business to demonstrate what we have done in this regard. We have been able to satisfy clients and customers but we do recognise that in time we will need an ISO rating or something similar.
- Attention has been applied to our counterparties to ensure we do not suffer financial loss or an operational failure.
- With the increased interest rates we are vigilant about our working capital levels and the ageing of debtors.

The Committee reviewed the following significant reporting matters and areas where judgement had been applied during the year:

- The application of IFRS 2 for measurement of the share-based payment charge. For option-based share-based payments management estimates certain factors used in the option pricing model, including volatility, vesting date of options and number of options likely to vest. If these estimates vary from actual occurrence, this will impact the value of the equity carried in reserves. The main area of judgement related to the estimated vesting period over which to spread the share-based payment charge for the market performance options issued in 2020. After reviewing data from Binomial modelling and uncertainty over whether price triggers for the vesting of the options would be met it was decided to spread the share-based payment charge for these options over their full 10-year lifespan with true-ups when bands of options actually vested. An estimated vesting period of less than 10 years would have led to the share-based payment charge for these options being recognised over a shorter time period. The Committee was in agreement with this assessment.
- The capitalisation of development costs and intangible assets as required under IAS 38, with a specific view to understand how management determined whether to capitalise internally developed software. Management reviewed whether there was any change in the financial circumstances of the business which warranted capitalisation of these costs. Given the continued uncertainty over future cash flows, management has determined that it would not be appropriate to capitalise any internally developed software. This was reviewed for both the interim accounts for the period ended 30 June 2023 and for this set of financial statements for the year ended 31 December 2023. The Committee was in agreement with the assessment. In addition, since the business expensed these development costs we have taken the R&D tax credit to income (i.e. following the matching concept).
- There is an unrecognised deferred tax asset of £22,533k (2022: £20,416k) in relation to the trading losses carried forward, provisions and future exercisable shares. In the opinion of the Directors, there is insufficient evidence at this point in time that the asset will be recovered; as such the deferred tax asset has not been recognised in the financial statements. The Committee is in agreement with this judgement.
- Repayment of US intercompany loans. Management do not expect the repayment of intercompany loans provided to the US company in the near future, and as such these loans are considered part of the net investment in US company operations. Any foreign exchange gain or loss for these foreign currency loans are recognised as part of the Retranslation Reserve. The Committee is in agreement with this assessment.
- Recoverability of intercompany receivables (Company only judgement). At the end of the year the Company reviewed the likelihood of intercompany receivable balances being recoverable, and based on the uncertainty over future cash flows it was deemed that the amounts due from other Group entities were not likely to be recovered and were written off at the year end. The Committee was in agreement with this judgement, which only impacts the Company numbers.

EXTERNAL AUDIT

The Committee considered a number of areas when reviewing the external auditors' appointment, specifically their performance in undertaking the audit, the scope of the audit and terms of engagement, their independence and objectivity, and their re-appointment and remuneration. As mentioned in the Committee responsibilities it is Company policy to ensure that the audit services contract is put out to tender at least once every 10 years. PricewaterhouseCoopers LLP have been the Company's auditors since incorporation in April 2015 and there has been no tender process for audit services since that time. In accordance with Company policy the audit services contract will be put out to tender before April 2025.

The external auditors report to the Committee on actions taken to comply with professional and regulatory requirements.

The Group has not used PricewaterhouseCoopers LLP for any non-audit services.

The Committee recommends the re-appointment of PricewaterhouseCoopers LLP as auditor at the AGM to be held on 28 June 2024, ahead of the audit tender process in the third and fourth quarters of 2024. The Committee will make recommendations to the Board about the appointment of a proposed new external auditor. The Committee would also consider, and once agreed approve the remuneration and terms of engagement of the new external auditor. Following completion of this process, PricewaterhouseCoopers LLP will resign.

Bob Head
Non-executive Director
3 June 2024

SETTING AND REVIEWING REMUNERATION

Membership and number of meetings and attendance while in post during 2023

Member	
Bob Head (Chair)	5/5
Alastair Kilgour (until 30 June 2023)	3/3
Lois Day (until 30 June 2023)	3/3
JoAnna Foyle (from 30 June 2023)	2/2

The Committee's main responsibilities are to:

1. Set the remuneration policy for all Executive Directors and the Company's Chair, including pension rights and any compensation payments. None of the Directors or senior managers are involved in any decision about their own remuneration.
2. Recommend and monitor the level and structure of remuneration for senior management. We have defined "senior management" as someone earning more than £100,000 per annum.
3. Review the ongoing appropriateness and relevance of overall remuneration policy.
4. Determine the individual remuneration packages of Executive Directors and other senior executives, including bonuses and incentive payments in consultation with the Chair and/or CEO, as appropriate.
5. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale, stage of development and complexity.
6. Approve the design of, and determine targets for, any performance related pay schemes and approve the total annual payments made under them.
7. Review the design of all share incentive plans and, if awards are made, the overall amount of those awards to Executive Directors and other senior executives along with any performance targets to be used.
8. Set the policy for, and scope of, pension arrangements for each Executive Director and other senior executives.
9. Oversee any major changes in employee benefit structures throughout the Group.

I am pleased to present the Remuneration Committee Report for the year ended 31 December 2023.

The Remuneration Committee currently consists of two Non-executive Directors. Serving with me is JoAnna Foyle. Alastair Kilgour and Lois Day resigned their membership of the Committee when they resigned their Directorships. I would like to thank Alastair and Lois for their help and counsel.

The Terms of Reference for the Committee also allow the Company Chair to attend Committee meetings.

Our meetings have been both formal and informal over the course of 2023. We have had five formal meetings and attendance was 100%.

The Chief Executive Officer and Chief Financial Officer may be invited to attend meetings of the Committee, but no Director is involved in any decisions relating to their own remuneration. None of the Committee has any personal financial interest (other than as shareholders), conflicts of interests arising from cross-directorships or day-to-day involvement in running the business.

REMUNERATION POLICY

Our remuneration policy is set to attract, retain and motivate Executive management of the quality required to run the Company successfully without paying more than necessary. Our policy considers the Company's risk appetite and the Company's stage of development and is aligned with the Company's long-term strategic goals while ensuring that overall remuneration is consistent with the performance of the Group and retains a balance between remuneration and shareholder value. This year has been made more difficult due to the economic environment, the relative low unemployment rate of the people we need and the need to conserve capital.

Component of remuneration	Purpose and how it supports the Company strategy	How the component operates	The maximum amount that can be paid out	Performance metrics
Basic pay	Recruit, retain and motivate. It therefore has to be competitive.	Monthly pay into a bank account.	The Remuneration Committee fix the amount.	Performance in line with the contract and the expectations of the Board. If the individual persistently fails to deliver then the contract will be terminated.
Annual bonus	The Executive Directors' annual bonus is set out below and is designed to support the short-term achievements of our targets.	Metrics are set in advance by the Remuneration Committee for all employees. The Executive Directors have a similar bonus scheme to other employees except they also have ESG and fundraising objectives as well and a slightly different mix of percentages.	The maximum amount payable to the CEO and CFO for 2023 are £233k and £70k respectively.	See overleaf under Director bonuses.
Long-term incentive payments	The current long-term incentive payments are share options. The better the performance of the Company then the better the share price.	The options are explained below.	The number of shares are fixed as explained below. The total amount that could be earned under the scheme is dependent on the share price.	For the CEO the bigger share of his option package vests only when certain share price trigger points are met. The exercise price of these options was set at market price on the date they were awarded. For the CFO options were granted at market price on the date of award and there are no further performance metrics.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to remuneration, terms of service, granting of share options and other equity incentives.

The Quoted Company Alliance's guidance on the remuneration report asks for a table explaining the future policy providing detail for each component of the remuneration of the Executive Directors.

The performance metrics of the annual bonus will change over time as the stage of development of the Company changes. For now the annual bonus focuses on establishing the business. As time moves on, we will migrate to a mix of annual financial performance and indicators that measure the creation of value in future years. We will wish to create a balance between building a valuable business while at the same time meeting short-term targets. We believe that simple short-term financial targets are insufficient unless there are clear "business building" targets. There is a difference in the annual bonus targets between the Executive Directors and other employees. This is explained below. In addition, designated sales staff have targets based on sales.

The share options are of standard construction, though in the case of the CEO the number of options available is driven by targeted increases in the share price. In the short term we believe this is appropriate. In the longer term we will review the form of the long-term incentive.

The difference between the arrangements for Executive Directors and other employees essentially relates to the scale of the long-term incentive element which is greater than for other employees. Both the CEO and CFO are part of the Company-wide short-term incentive scheme. This scheme applies to all staff other than designated sales staff, who have separate commission arrangements. The CEO's and CFO's KPIs are similar to the broader Company scheme with the exception that they have an ESG and fundraise-related target. In all cases maximum awards are defined as a percentage of salary, which generally varies by level of seniority. In the case of the CEO the maximum award is 50% of base salary and 30% in the case of both the outgoing and incoming CFO.

There are provisions in the agreements for bad leavers and clawback. In addition, Board approval is required for any disposal of shares acquired under the Company's long-term incentive scheme.

REMUNERATION COMMITTEE REPORT CONTINUED

MAJOR DECISIONS ON DIRECTORS' REMUNERATION

On 19 July 2023 the CEO was granted 12,740,584 options as part of a long-term incentive package. These options have a strike price of £0.03 and vest in equal annual instalments over three years. The CEO was also granted 1,512,712 options on 19 July 2023 in exchange for agreeing to a one-off salary reduction of 10% for 12 months from August 2023 to July 2024. These salary sacrifice options vest after 12 months and have a nominal value strike price of £0.00001.

The outgoing CFO who left the Company on 31 December 2023 was paid £136k to cover pay in lieu of notice, compensation for termination of employment, holiday pay and other sundry amounts due.This departure was part of a management restructuring as announced at the time of the 2023 fundraise.

The new CFO, Nic Hellyer was appointed on 7 November 2023 on a part-time basis on a prorated annual salary of £114k.

It is not envisioned there will be a material change in fees of the Directors in the coming 12 months.

No other decisions are considered material.

DIRECTORS' SERVICE CONTRACTS

Under the terms of the service agreements in place with Executive Directors, either party must give six months' written notice to terminate those service agreements. Under the terms of the service agreements in place with Non-executive Directors, either party must give three months' written notice to terminate that appointment.

Compensation for early termination for Executive Directors is generally limited to six months' base salary and benefits. Any entitlements under incentive plans would ordinarily lapse in accordance with the terms of the relevant plan, unless the Remuneration Committee exercises its discretion as provided under the incentive scheme rules.

DIRECTOR BONUSES

The Company operates a performance related bonus scheme for all staff, including Executive Directors, other than designated sales staff.

The Executive Directors had a slightly different mix of measures to the other employees as they have specific ESG objectives and were incentivised to find and deliver a transformational partnership. The objectives and bonus eligibility for the CEO and outgoing CFO were as follows:

Measure	CEO % bonus	CEO % achieved	CFO % bonus	CFO % achieved
Transformational fundraise and/or sale of the business	50%	50%	50%	50%
Sales	30%	–	25%	–
Cost	5%	5%	10%	10%
Supply partnerships	3%	–	3%	–
Seconds supplied	3%	3%	3%	3%
Demand partnerships	3%	1.5%	3%	1.5%
Ecosystem Integration	3%	2.25%	3%	2.25%
ESG	3%	3%	3%	3%
Total	**100%**	**64.75%**	**100%**	**69.75%**

For 2023 it has been agreed that the CEO will forego a bonus payment. The incoming CFO joined too late in the year to be assessed using the above criteria so no bonus will be payable for 2023 for either of the Executive Directors.

For 2024 we will be keeping the same broad shape of the bonus scheme and tailoring the measures more specifically to reflect the differing roles of the CEO and CFO.

PENSIONS

The Company operates a defined contribution pension scheme open to all UK Executive Directors and employees. The Company also operates a 401k scheme for its US staff. Arrangements in other markets are based on statutory requirements.

NON-EXECUTIVE DIRECTORS

Remuneration of the Non-executive Directors is determined by the Executive Directors with the exception of the Chair, whose remuneration is determined by the other Non-executive Directors. The Non-executive Directors did not receive an increase in their remuneration.

As noted previously, the Remuneration Committee reviewed the role of the Chair and CEO as it was concerned that the CEO spends a significant portion of his time managing investor relations, both existing shareholders and potential new investors. We attach great importance to having excellent relations with existing shareholders and potential investors and to that end it was agreed that the Chair would take on a larger role with respect to investor relations to allow the CEO to focus more on growing the business. We envision the Chairman's roles will take approximately 60 days per annum.

Non-executive Directors are not entitled to pensions, annual bonuses or employee benefits. They are entitled to participate in share option arrangements relating to the Company's shares, and both the Chair and I have share option arrangements that were explained in the 2019 report and are disclosed elsewhere. The Board does not consider that this compromises the independence of either Director.

The Non-executive Directors have also invested personally in the Company. The Board is very aware of its obligations to all stakeholders under s172. The Board does not believe their investment has compromised their independence.

Each of the Non-executive Directors has a contract stating their annual fee and that their appointment is initially for a term of three years, subject to re-election at the Company's Annual General Meeting. Their appointment may be terminated with three months' written notice at any time.

The annual fee for John Pearson as Chair was £75k for 2023. My annual fee remained at £30k plus £5k for each Committee I chair (Remuneration and Audit Committees). The other UK-based Non-executive Directors' (now resigned) annual fees were £20k per annum per person while the US-based Non-executive Directors' annual fees are £40k per annum per person. There are no pension arrangements or short-term bonuses for Non-executive Directors.

STAFF AND DIRECTORS' SHARE OPTIONS

The Remuneration Committee agreed to move to new annual grants of options for the Company's senior management from 2022 onwards. Senior managers were awarded share options in July 2023 with a single vesting date in July 2025. These awards are timed to pick up from the two-year options awarded to the Company's senior staff, in June 2022. Under the 2022 arrangement options were awarded at market price based on a multiple of salary. They vest after 24 months from June 2022 to June 2024 and can only be exercised by employees after that date.

On 19 July 2023 the Company granted 1,512,712 options to the CEO in exchange for a 12-month reduction in salary of 10% and 1,814,502 options to other senior managers who are deemed PDMRs for a 12 month salary reduction of 5%. The salary reduction is effective from August 2023 to July 2024 and these options fully vest after 12 months.

On 19 July 2023 the Company granted 18,610,583 options to three senior managers who are deemed PDMRs. This included 12,740,584 options to the CEO. These options vest annually over three years.

On 19 July 2023 the Company granted 689,719 options to senior managers who are deemed PDMRs. These options vest after two years on 19 July 2025 and will add to existing option awards, which were initially granted on 18 May 2020 and vested on 18 May 2023, and options granted on 6 June 2022 and will fully vest on 6 June 2024.

The Company also granted 2,152,555 options to 10 existing senior managers, who are not regarded as PDMRs. These will also vest after two years on 19 July 2025 and will add to existing option grants, which were also initially granted on 18 May 2020 and 6 June 2022.

In continuation of the Company's policy to widen share option participation among its staff to incentivise and retain a broader group of employees, a total of 2,079,000 options were granted to employees of the Company in the UK, the US, and India These employee options will vest in three annual instalments and will fully vest by 30 August 2026.

In October 2023 the Company reviewed existing grants under the Company's long-term incentive plan ("LTIP") and it was the Board's view that many of the options granted historically under the LTIP have a relatively high exercise price compared to the 2023 Placing price of 3p per Ordinary Share of £0.00001 each. The Board therefore believed that the existing LTIP options were not acting as an important additional incentive to motivate and retain staff. As a result, the Company offered staff holding options granted before 1 January 2023 under the LTIP with a strike price of over 3p each the opportunity to surrender their existing options over the Ordinary Shares (under the current LTIP) in exchange for new three-year options over Ordinary Shares with a strike price of 3p each (being equal to the 2023 Placing price). The terms of the offer were that staff may surrender one existing option in return for one new option so the total volume of issued options over the Company's Ordinary Shares remains unchanged. This offer was not made to the Directors. The result of this exercise was that a total of 8,635,490 options were surrendered and reissued on 2 October 2023. This total included 4,269,348 being issued to PDMRs. These New Options will vest in equal annual instalments over three years from the date of issue.

On 7 November 2023 2,500,000 options were granted to the new CFO on joining the Company. These options vest annually over three years.

In total these grants amounted to the issuing of 29,359,071 New Options (not including the surrendered and reissued options) which equates to 6% of the Company's existing issued share capital (the "ISC"). In total, following the grant of these Options, 55,845,445 options are now under grant but not exercised under the Mirriad Advertising plc LTIP scheme (the "Total Options"), which equates to 11.4% of the ISC. The weighted average price of the Total Options is approximately 8p.

None of the Directors exercised any options during the year.

All vested options expire 10 years after the date of grant.

REMUNERATION COMMITTEE REPORT CONTINUED

STAFF AND DIRECTORS' SHARE OPTIONS CONTINUED

Details of options for Directors who served during the year are as follows:

	Options at 31 December 2023	Vesting dates	Exercise price
Executive			
Stephan Beringer	**2,102,454**	1 Oct 2019/20/21	£0.00001
	5,500,000	Performance dependent*	£0.15
	1,512,712	19 July 2024	£0.00001
	12,740,584	19 July 2024/25/26	£0.03
Nic Hellyer	**2,500,000**	7 November 2024/25/26	£0.03
David Dorans^	**394,210**	12 Nov 2019/20/21	£0.195
	1,660,800	18 May 2023	£0.15
	442,500	6 June 2024	£0.21
Non-executive			
John Pearson	**225,000**	16 Oct 2018/19/20	£0.62
	1,250,600	2 Apr 2020/1 Oct 2020/21	£0.00001
	1,349,400	Performance dependent*	£0.15
Bob Head	**400,000**	13 Jun 2020/21/22	£0.00001
	400,000	Performance dependent*	£0.15
Lois Day (to 30 June 2023)	**–**	–	–
JoAnna Foyle	**–**	–	–
Nicole McCormack	**–**	–	–
Alastair Kilgour (to 30 June 2023)	**–**	–	–

* These options will only vest if certain share price targets are achieved. Two of the targets were met in 2020 and none since then.

^ The Remuneration Committee has resolved that David Dorans may exercise all of these options at any time within 24 months from the date of departure (31 December 2025).

Aggregate emoluments disclosed below do not include any amounts for the value of options to acquire Ordinary Shares in the Company granted to or held by the Directors. Details of the option arrangements for the Chair, independent Non-executive Director, CFO and CEO are disclosed in full in the Annual Report and Accounts.

DIRECTORS' REMUNERATION

	Salary/fees £000	Bonus £000	Employer's pension £000	Other benefits £000	Share-based payment £000	Compensation for loss of office £000	**Total 2023 £000**	Total 2022 £000
Executive								
Stephan Beringer	447	–	28	–	81	–	**556**	574
Nic Hellyer	17	–	–	–	4	–	**21**	–
David Dorans	233	–	14	1	65	136	**449**	357
Non-executive								
John Pearson	75	–	–	–	10	–	**85**	88
Lois Day	10	–	–	–	–	–	**10**	10
JoAnna Foyle	40	–	–	–	–	–	**40**	19
Nicole McCormack	40	–	–	–	–	–	**40**	21
Alastair Kilgour	10	–	–	–	–	–	**10**	20
Bob Head	40	–	–	–	3	–	**43**	46
Kelsey Lynn Skinner	–	–	–	–	–	–	**–**	10
Aggregate emoluments	912	–	42	1	163	136	**1,254**	1,145

There are no long-term employment benefit or incentive schemes in place other than share options. See note 20 to the financial statements to see the basis of calculation of this charge.

For 2024 the CEO's salary will remain unchanged at a base level of £466k, although this is still subject to an agreed 10% reduction until July 2024. The CFO's salary remains at £114k for 2024.

Shareholder consultations were held on the CEO's long-term incentives in previous years as reported in the 2019 annual report. There have been no other consultations this year.

David Dorans was paid a total of £136k for loss of office as part of a planned management restructuring announced during the 2023 fundraise.

We are required to disclose how Directors' shareholdings at the end of the reported financial year compared to any shareholding guidelines in place. The Company does not have any shareholding guidelines in place. That said we believe that the existing shareholdings motivate the right performance and are aligned to the interests of shareholders.

SHARE PERFORMANCE CHART VS AIM ALL-SHARE TECHNOLOGY INDEX

We have included a line graph which shows the total shareholder return of the Company since the Company's admittance to AIM and compared this to a benchmark of AIM technology stocks over the same period.

HISTORICAL CHIEF EXECUTIVE OFFICER PAY

The table below details the Chief Executive Officer's single total figure of remuneration and the short-term and performance long-term incentive outcomes for 2022 and 2023.

	2022	2023
Stephan Beringer		
Chief Executive Officer single figure (£000)	574	**556**
Annual bonus (% of max)	22.5%	**0.0%**
LTIP performance options vesting (% of max)	0.0%	**0.0%**

There are no plans to alter materially the remuneration policy or practice in the coming year.

No external consultants have been used to advise the Remuneration Committee during 2023 although we do review pay studies that are freely available.

Bob Head
Non-executive Director
3 June 2024

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors present their Annual Report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

COUNTRY OF INCORPORATION

Mirriad Advertising plc is a public company limited by shares, listed on AIM and incorporated and registered in England and Wales. The registered office address is given on the information page inside the back cover of this document.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Chairman's Statement (pages 06 and 07), the Chief Executive's Statement (pages 08 and 09) and the Financial Review (pages 20 to 22) report on the performance of the Group during the year ended 31 December 2023 and its prospects for the future.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are disclosed in the Financial Review on page 22 and in note 25 in the Financial Statements on page 94.

DIRECTORS

The Directors of the Group during the year and up to the date of approving the financial statements were:

- John Pearson – appointed 2 October 2017
- Stephan Beringer – appointed 1 October 2018
- David Dorans – resigned 31 December 2023
- Alastair Kilgour – resigned 30 June 2023
- Bob Head – appointed 13 June 2019
- Nic Hellyer – appointed 23 November 2023
- Lois Day – resigned 30 June 2023
- Nicole McCormack – appointed 23 June 2022
- JoAnna Foyle – appointed 7 July 2022

SIGNIFICANT SHAREHOLDERS

The Company is informed that, at 14 May 2024, individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
Rathbones Investment Management Ltd	93,655,601	17.2%
M&G Investments	57,958,683	10.7%
Hargreaves Lansdown	39,660,119	7.3%
IP Group*	34,393,570	6.3%
Interactive Investor Services Ltd	18,318,901	3.4%

* Held by its subsidiary IP2IPO Portfolio LP acting by its general partner IP2IPO (GP) Limited.

DIRECTORS' SHAREHOLDINGS

The beneficial interests of the Directors in the share capital of the Company at 31 December 2023 and at 31 March 2024 were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
Executive Directors		
Stephan Beringer	1,191,666	0.24%
David Dorans	523,857	0.11%
Non-executive Directors		
John Pearson	1,594,999	0.33%
Bob Head	318,600	0.07%

EMPLOYEES

The Group's Executive management regularly delivers Company-wide Town Hall-style briefings on the Group's strategy and performance. These briefings contain details of the Group's financial performance where appropriate. The Group remains committed to fair treatment of people with disabilities in relation to job applications, training, promotion and career development. Every effort is made to find alternative jobs for those who are unable to continue in their existing job due to disability. The Group takes a positive approach to Equality & Diversity. The Group promotes equality in the application of reward policies, employment and development opportunities, and aims to support employees in balancing work and personal lifestyles.

FINANCIAL INSTRUMENTS

Full details of the Group's risk management policies and its exposure to financial risk are set out in note 3 to the financial statements.

DIRECTORS' INDEMNITIES AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company's articles of association permit the Company to indemnify Directors of the Company in accordance with the Companies Act 2006. Directors' and officers' liability insurance, which constitutes a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, was in place during the financial year and also at the date of approval of these financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Group is to be held on 28 June 2024. The notice of meeting appears on pages 95 to 100 of these financial statements.

POLITICAL AND CHARITABLE DONATIONS

During the year ended 31 December 2023 the Group made political donations of £nil (2022: £nil) and charitable donations of £nil (2022: £nil).

SUPPLIER PAYMENT POLICY AND PRACTICE

The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations.

STRATEGIC REPORT

Pursuant to section 414c of the Companies Act 2006 the Strategic Report on pages 01 to 36 contains disclosures in relation to dividends, R&D activity, post balance sheet events, going concern and stakeholder engagement.

INDEPENDENT AUDITORS

In accordance with section 489 of the Companies Act, a resolution for the re-appointment of PricewaterhouseCoopers LLP as independent auditors of the Company is to be proposed at the forthcoming Annual General Meeting, ahead of the audit tender process in Q3 and Q4 of 2024. Following completion of the tender process, PricewaterhouseCoopers LLP will resign.

On behalf of the Board

Nic Hellyer
Director
3 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MIRRIAD ADVERTISING PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Mirriad Advertising plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's loss and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company balance sheets as at 31 December 2023; the Consolidated statement of profit or loss, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity, the Consolidated and Company statement of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1.1 to the financial statements concerning the Group's and the Company's ability to continue as a going concern. The Directors have prepared financial forecasts which indicate that, in their base case, with revenue growth and cost savings being achieved over the 12 months following the approval of these financial statements, the Group and Company will have sufficient working capital to continue to trade until the end of December 2025. In the base case scenario additional funding will not be required within the going concern period of at least 12 months following the date of approval of the financial statements. The Directors have forecast a severe but plausible downside scenario in the event that either the revenue growth forecasts fall below expectations by 50% (which is still considerable growth on 2023) or cost saving initiatives are not achieved, in which case the Group and Company will require additional funding within the going concern period of at least 12 months following the date of approval of the financial statements. At the date of approving these financial statements no additional funding is committed. These conditions, along with the other matters explained in note 1.1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Testing the mathematical accuracy for the forecast models.
- Agreeing the cash on hand balance at 30 April 2024 to bank statements given this was used as a starting cash flow in the forecast models.
- Agreeing the cash on hand balance at 15 May 2024 to bank statements and comparing the actual position with the forecast model.
- Assessing the appropriateness of the basis for the forecasts by reference to historical performance.
- Assessing the appropriateness of the downside scenario.
- Assessing the impact of the mitigating factors available to management to reduce cash outflows and increase cash availability such as cost savings.
- Assessing the appropriateness of the related disclosures in the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT CONTINUED

TO THE MEMBERS OF MIRRIAD ADVERTISING PLC

Our audit approach

Overview

Audit scope

- There are five reporting units in the Group: Mirriad Advertising plc (which records the majority of Group activity), Mirriad Inc. (which records all of the activity in the US), Mirriad Advertising Private Limited (India), Mirriad Software Science and Technology(Shanghai) Co. Ltd (entity liquidated in the year) and Mirriad Ltd, a dormant entity. For each reporting unit we determined whether we required an audit of its complete financial information ("full scope") or whether specified procedures addressing specific risk characteristics or particular financial statement line items would be sufficient. It was assessed that Mirriad Advertising plc and Mirriad Inc are the reporting units requiring a full scope audit. For the remaining reporting units that are not considered in scope we have performed procedures to identify any unusual or unexpected transactions or balances and audited financial statement line items in India that are material and also required to obtain sufficient coverage. We have not performed anything on Mirriad Ltd. as it is a dormant entity and Mirriad Software Science and Technology (Shanghai) Co. Ltd as it is liquidated in the year.

Key audit matters

- Material uncertainty related to going concern
- Impairment of intercompany balances (parent)

Materiality

- Overall group materiality: £133,000 (2022: £160,000) based on 1% of total expenses.
- Overall company materiality: £103,000 (2022: £130,000) based on 1% of total expenses.
- Performance materiality: £99,750 (2022: £120,000) (Group) and £77,250 (2022: £97,500) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of intercompany balances (parent) Intercompany receivables are assessed for expected credit losses under IFRS 9. There is judgment required to assess if amounts owed by group undertakings can be recovered in full and if not, what the expected future recoverability based on the financial position and future prospects of the group undertakings is. The Company has recognised impairment losses of £1,089,000 in the year for intercompany balances. Refer to Note 4 of the financial statements ('Recoverability of intercompany receivables').	We have reviewed the calculation of the impairment losses relating to the parent company intercompany balances. We have reviewed and challenged the directors judgments regarding the appropriateness of the carrying value of the intercompany balances through our understanding of the historic and forecast trading performance of the group undertakings and by assessing the ability to repay these amounts. Overall we conclude that there is no remaining risk of a material misstatement from additional impairments in intercompany balances.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's accounting process is structured around a central finance function based in the UK. The finance function has control and oversight of all overseas territories, even where the overseas territories have a small local finance function.

There are five reporting units in the Group: Mirriad Advertising plc (which records the majority of Group activity), Mirriad Inc. (which records all of the activity in the US), Mirriad Advertising Private Limited (India), Mirriad Software Science and Technology(Shanghai) Co. Ltd (entity liquidated in the year) and Mirriad Ltd, a dormant entity. For each reporting unit we determined whether we required an audit of its complete financial information ("full scope") or whether specified procedures addressing specific risk characteristics or particular financial statement line items would be sufficient. It was assessed that Mirriad Advertising plc and Mirriad Inc are the reporting units requiring a full scope audit. For the remaining reporting units that are not considered in scope we have performed procedures to identify any unusual or unexpected transactions or balances and audited financial statement line items in India that are material and also required to obtain sufficient coverage. We have not performed anything on Mirriad Ltd. as it is a dormant entity and Mirriad Software Science and Technology (Shanghai) Co. Ltd as it is liquidated in the year.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£133,000 (2022: £160,000).	£103,000 (2022: £130,000).
How we determined it	1% of total expenses	1% of total expenses
Rationale for benchmark applied.	Materiality is based on total expenses, which is a generally accepted auditing benchmark, as the Group is still largely in an investment phase with comparatively low levels of revenue and is focused on investing in workforce, systems, and technologies to deliver growth and revenue in following years.	Materiality is based on total expenses, which is a generally accepted auditing benchmark, as the Group is still largely in an investment phase with comparatively low levels of revenue and is focused on investing in workforce, systems, and technologies to deliver growth and revenue in following years.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £86,000 - £114,300.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £99,750 (2022: £120,000) for the Group financial statements and £77,250 (2022: £97,500) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £6,650 (Group audit) (2022: £8,000) and £5,150 (Company audit) (2022: £6,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

INDEPENDENT AUDITORS' REPORT CONTINUED

TO THE MEMBERS OF MIRRIAD ADVERTISING PLC

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to General Data Protection Regulation (GDPR), UK Tax Legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Holding regular discussions with management to understand any new risks, litigation or matters identified (including any significant and material one off transactions) and made enquiries as to any instances of known or suspected fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement;
- Reviewing significant judgemental areas, estimates and significant assumptions used in calculations particularly over the accruals/provision balances and share based payments; and
- Reviewing Board of Directors meeting minutes.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 £000	Year ended 31 December 2022 Restated* £000
Revenue	5	**1,803**	1,507
Cost of sales		**(313)**	(286)
Gross profit		**1,490**	1,221
Administrative expenses	6	**(12,967)**	(17,109)
Operating loss	6	**(11,477)**	(15,888)
Finance income	8	**111**	72
Finance costs	8	**(1)**	(23)
Finance income/(costs) – net	8	**110**	49
Loss before income tax		**(11,367)**	(15,839)
Income tax credit	10	**432**	492
Loss for the year		**(10,935)**	(15,347)
Loss per Ordinary Share – basic	11	**(3p)**	(6p)

* The prior year comparatives have been restated for a change in the share based payment charge for the period. Please see note 4(b) for further details.

All activities are classified as continuing.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2023 £000	Year ended 31 December 2022 Restated* £000
Loss for the financial year	**(10,935)**	(15,347)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**3**	44
Total comprehensive loss for the year	**(10,932)**	(15,303)

* The prior year comparatives have been restated for a change in the share based payment charge for the period. Please see note 4(b) for further details.

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 10.

CONSOLIDATED AND COMPANY BALANCE SHEETS

AT 31 DECEMBER 2023

	Note	Group		Company	
		As at 31 December 2023 £000	As at 31 December 2022 Restated* £000	**As at 31 December 2023 £000**	As at 31 December 2022 Restated* £000
Assets					
Non-current assets					
Property, plant and equipment	12	**261**	545	**163**	397
Intangible assets	13	**—**	—	**—**	—
Investments	9	**—**	—	**11**	11
Trade and other receivables	14	**20**	188	**—**	163
		281	733	**174**	571
Current assets					
Trade and other receivables	14	**2,285**	2,220	**471**	541
Other current assets	10	**457**	529	**457**	529
Cash and cash equivalents		**6,109**	11,289	**5,287**	10,511
		8,851	14,038	**6,215**	11,581
Total assets		**9,132**	14,771	**6,389**	12,152
Liabilities					
Non-current liabilities					
Lease liabilities	24	**—**	207	**—**	157
		—	207	**—**	157
Current liabilities					
Trade and other payables	15	**2,333**	2,904	**881**	1,571
Provisions	15	**—**	198	**—**	—
Current tax liabilities	15	**14**	14	**—**	—
Lease liabilities	24	**210**	322	**158**	272
		2,557	3,438	**1,039**	1,843
Total liabilities		**2,557**	3,645	**1,039**	2,000
Net assets		**6,575**	11,126	**5,350**	10,152
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	17	**55**	53	**55**	53
Share premium	17	**71,408**	65,755	**71,408**	65,755
Share-based payment reserve	18	**5,879**	5,153	**5,879**	5,153
Retranslation reserve	19	**(313)**	(316)	**—**	—
Accumulated losses		**(70,454)**	(59,519)	**(71,992)**	(60,809)
Total equity		**6,575**	11,126	**5,350**	10,152

* The prior year comparatives have been restated for a change in the share based payment charge for the period. Please see note 4(b) for further details.

The Company loss for the year is £11,183k (2022 restated: £15,592k). The financial statements on pages 62 to 94 were approved by the Board of Directors on 3 June 2024 and signed on its behalf by:

Nic Hellyer
Chief Financial Officer
Mirriad Advertising plc

Company number: 09550311

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2022 Restated*					
	Share capital £000	Share premium £000	Share-based payment reserve £000	Retranslation reserve £000	(Accumulated losses)/retained earnings £000	Total equity £000
Balance at 1 January 2022	53	65,755	3,666	(360)	(44,172)	24,942
Loss for the financial year	–	–	–	–	(15,101)	(15,101)
Other comprehensive income for the year	–	–	–	44	–	44
Total comprehensive loss for the year	–	–	–	44	(15,101)	(15,057)
Restatement *	–	–	–	–	(246)	(246)
Total comprehensive loss for the year (restated *)	–	–	–	44	(15,347)	(15,303)
Share-based payments recognised as expense	–	–	1,241	–	–	1,241
Total transactions with shareholders recognised directly in equity	–	–	1,241	–	–	1,241
Restatement *	–	–	246	–	–	246
Total transactions with shareholders recognised directly in equity (restated*)	–	–	1,487	–	–	1,487
Balance at 31 December 2022 (Restated)	53	65,755	5,153	(316)	(59,519)	11,126

* The prior year comparatives have been restated for a change in the share based payment charge for the period. Please see note 4(b) for further details.

		Year ended 31 December 2023					
	Note	**Share capital £000**	**Share premium £000**	**Share-based payment reserve £000**	**Retranslation reserve £000**	**Accumulated losses £000**	**Total equity £000**
Balance at 1 January 2023		**53**	**65,755**	**5,153**	**(316)**	**(59,519)**	**11,126**
Loss for the financial year		**–**	**–**	**–**	**–**	**(10,935)**	**(10,935)**
Other comprehensive income for the year	19	**–**	**–**	**–**	**3**	**–**	**3**
Total comprehensive loss for the year		**–**	**–**	**–**	**3**	**(10,935)**	**(10,932)**
Proceeds from shares issued		**2**	**6,302**	**–**	**–**		**6,304**
Share issue costs		**–**	**(649)**	**–**	**–**	**–**	**(649)**
Share-based payments recognised as expense	18	**–**	**–**	**726**	**–**	**–**	**726**
Total transactions with shareholders recognised directly in equity		**2**	**5,653**	**726**	**–**	**–**	**6,381**
Balance at 31 December 2023		**55**	**71,408**	**5,879**	**(313)**	**(70,454)**	**6,575**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2022 Restated*				
	Share capital £000	Share premium £000	Share-based payment reserve £000	(Accumulated losses)/retained earnings £000	Total equity £000
Balance at 1 January 2022	53	65,755	3,666	(45,217)	24,257
Loss for the financial year	—	—	—	(15,346)	(15,346)
Total comprehensive loss for the year	—	—	—	(15,346)	(15,346)
Restatement*	—	—	—	(246)	(246)
Total comprehensive loss for the year (restated*)	—	—	—	(15,592)	(15,592)
Share-based payments recognised as expense	—	—	1,241	—	1,241
Total transactions with shareholders recognised directly in equity	—	—	1,241	—	1,241
Restatement*	—	—	246	—	246
Total transactions with shareholders recognised directly in equity (restated*)	—	—	1,487	—	1,487
Balance at 31 December 2022 (Restated)	53	65,755	5,153	(60,809)	10,152

* The prior year comparatives have been restated for a change in the share based payment charge for the period. Please see note 4(b) for further details.

		Year ended 31 December 2023				
	Note	**Share capital £000**	**Share premium £000**	**Share-based payment reserve £000**	**Accumulated losses £000**	**Total equity £000**
Balance at 1 January 2023		**53**	**65,755**	**5,153**	**(60,809)**	**10,152**
Loss for the financial year		**—**	**—**	**—**	**(11,183)**	**(11,183)**
Total comprehensive loss for the year		**—**	**—**	**—**	**(11,183)**	**(11,183)**
Proceeds from shares issued		**2**	**6,302**	**—**	**—**	**6,304**
Share issue costs		**—**	**(649)**	**—**	**—**	**(649)**
Share-based payments recognised as expense	18	**—**	**—**	**726**	**—**	**726**
Total transactions with shareholders recognised directly in equity		**2**	**5,653**	**726**	**—**	**6,381**
Balance at 31 December 2023		**55**	**71,408**	**5,879**	**(71,992)**	**5,350**

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Cash flow used in operating activities	21	**(11,109)**	(14,016)	**(11,240)**	(13,846)
Tax credit received		**558**	1,116	**529**	1,116
Taxation paid		**(25)**	(40)	**—**	—
Interest received		**111**	72	**109**	69
Lease interest paid		**(1)**	(23)	**(1)**	(13)
Net cash used in operating activities		**(10,466)**	(12,891)	**(10,603)**	(12,674)
Cash flow from investing activities					
Investment in subsidiaries	9	**—**	—	**—**	(358)
Purchase of tangible assets	12	**(39)**	(76)	**(9)**	(35)
Proceeds from disposal of tangible assets		**3**	—	**3**	—
Net cash used in investing activities		**(36)**	(76)	**(6)**	(393)
Cash flow from financing activities					
Proceeds from issue of Ordinary Share capital (net of costs of issue)	17	**5,655**	—	**5,655**	—
Payment of lease liabilities		**(333)**	(245)	**(270)**	(142)
Net cash generated from/(used in) financing activities		**5,322**	(245)	**5,385**	(142)
Net decrease in cash and cash equivalents		**(5,180)**	(13,212)	**(5,224)**	(13,209)
Cash and cash equivalents at the beginning of the year		**11,289**	24,501	**10,511**	23,720
Cash and cash equivalents at the end of the year		**6,109**	11,289	**5,287**	10,511
Cash and cash equivalents consists of:					
Cash at bank and short-term bank deposits		**6,109**	11,289	**5,287**	10,511
Cash and cash equivalents		**6,109**	11,289	**5,287**	10,511

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

1.1 Basis of preparation

The Group and Company financial statements of Mirriad Advertising plc have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

1.1.1 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the Group having made a loss for the year of £10.9 million (2022 restated: £15.3 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 date of approving these financial statements.

The Group's cash balance was £6.1 million at the year end and the Group remains debt free with no external borrowing. The Group's cash balance was £4.5m as at 31 March 2024.

The Company announced a successful Placing, Retail Offer and Directors' Subscription that raised approximately £6.2 million after fees on 7 May 2024. The Company said at that time that the Directors anticipated that the proceeds of this fundraise can provide sufficient funding to trade cash flow break-even during 2025, based on base case forecasts which assume both revenue growth and cost savings being achieved over the next 18 months. After making enquiries and producing cash flow forecasts for the period up to 31 December 2025, the Directors have reasonable expectations, as at the date of approving the financial statements, that the Company and the Group will have adequate resources to fund the activities of the Company and the Group for at least the next 12 months from the date of approving these financial statements.

The Group and Company's base case forecast suggests that the Group will not require additional external funding to be able to continue as a going concern. However, in a severe but plausible downside scenario if either the revenue growth forecasts fall below expectations by 50% (which is still considerable growth on 2023) or cost saving initiatives are not achieved, additional funding may be required, within 12 months of approving these financial statements which is not currently committed.

While the financial statements are prepared on a going concern basis, under a severe but plausible downside scenario the future of the Group and Company is dependent on raising additional external funds from new equity, debt or customer contracts within 12 months from the date of approving these financial statements.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

2. ACCOUNTING POLICIES

2.1 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2023:

- IFRS 17 Insurance Contracts;
- Definition of Accounting Estimates – amendments to IAS 8;
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12; and
- Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been applied in preparing these financial statements. These standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES CONTINUED

2.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of the acquired business;
- Equity interests issued by the group;
- Fair value of any asset or liability resulting from a contingent consideration arrangement; and
- Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the Consideration transferred; Amount of any non-controlling interest in the acquired entity; and Acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.3 Consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 December 2023, and the prior year to 31 December 2022.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The consolidated financial statements are presented in Pound Sterling, which is the functional and presentational currency of the Company and the presentation currency of the Group.

(ii) Transactions and balances

Transactions in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the profit and loss account.

2. ACCOUNTING POLICIES CONTINUED

(ii) Transactions and balances continued

Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within "Finance income or finance costs". All other foreign exchange gains and losses are presented in the profit and loss account within "Administrative expenses".

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction);

(c) gains and losses on intercompany foreign currency loans that are long-term in nature and which the Company does not intend to settle in the foreseeable future are recorded in the Retranslation Reserve in the consolidated numbers; and

(d) all resulting exchange differences are recognised in other comprehensive income.

2.5 Revenue recognition

In general the Group recognises revenue at a point in time. Specifically, revenue is recognised in accordance with the requirements of IFRS 15 "Revenue from contracts with customers". The Group recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

(1) identify the contract(s) with the customer;

(2) identify the performance obligations in the contract;

(3) determine the transaction price;

(4) allocate the transaction price to the performance obligations in the contract; and

(5) recognise revenue when (or as) the entity satisfies a performance obligation.

All Group revenue comes from the primary business activity of providing in-video advertising services to broadcasters, advertisers, brand owners and their agencies. This involves the insertion by the Group of a product, signage or video into existing content. In accordance with IFRS 15 revenue is recognised at a point in time, when the services have been delivered and the "asset" transferred to customers in accordance with contractual terms and conditions and there are no further obligations attached. There is only ever one party in our agreements (our "customer") and this is the party we will invoice for the campaign. The customers are generally broadcasters and online distributors of content as they provide content to the end viewer and sell the advertising in and around that content. However, as the Group has developed its business other parties in the value chain may sometimes become customers. This is the case where the Group is selling campaigns directly to media agencies or brands. In these circumstances the media agency or brand is the customer for the purposes of IFRS 15.

Most of the Group's revenue generating contracts do not specify revenue values but provide a framework, and normally specify a share of customer revenue, within which individual work to produce campaigns and revenues are agreed and executed. As Mirriad is not usually responsible for selling campaigns to advertisers or their media agencies, we are remunerated on the basis of the amounts charged by our customers to advertisers and media agencies. Typically we earn between 20% and 35% of the amount charged to an advertiser or media agency by our customer. For the purposes of IFRS 15 each of the individual campaigns becomes a "contract".

The exact revenue for each campaign is set out in the relevant insertion (purchase) order and is calculated by reference to the rates agreed in the framework contract. The insertion order shows the agreed number of advertising units or insertions to be delivered and the amount to be charged to the customer upon completion of the campaign. It is these insertion orders that are considered by management to be customer contracts under IFRS 15 since they create the contractual performance obligations within the context of the framework agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES CONTINUED

2.5 Revenue recognition continued

The revenue on such campaigns is recognised at a point in time. That point in time is either on completion, for campaigns lasting less than a month or at the end of a month, where a campaign spans more than one month. For the campaigns which last more than one month the revenue recognised at the end of a month is based on the actual campaign elements delivered to that date. This matches the process of the "assets" generated for the campaigns being transferred to the customer, for which the Group is entitled to revenue as the "assets" are produced. Where a campaign is part-completed at the end of a reporting period we look at how much of the campaign has been delivered to the customer and whether we have an enforceable right to payment for performance completed to date as per the agreed contract or insertion order. If that is the case then we book the associated revenue at a point in time, i.e. the end of that month and record this as accrued revenue on the balance sheet until the campaign can be invoiced.

Customers are usually invoiced at the completion of each campaign and then pay on their negotiated terms which vary from 30 to 90 days.

The Tencent agreement was effective from 1 April 2021 and ran until 31 March 2023. This agreement had similarities with the Group's other customer arrangements in that it specified a share of revenue that Mirriad is entitled to for each campaign delivered under the agreement. However, it also included a minimum guaranteed element which Mirriad was entitled to over the first 12 months of the contract in exchange for providing sufficient resources in Shanghai to deliver the In-Video Advertising services required.

The minimum revenue guarantee element of the customer contract with Tencent where the Company adopted a specific revenue recognition policy ended in the prior year. In the case of Tencent we considered that it was the contract itself which formed the basis of the IFRS 15 contract and not the individual insertion orders received from Tencent. For this agreement, contract revenue has therefore been recognised over time rather than at a point in time.

For this 12-month period additional amounts in excess of the minimum guarantee were only chargeable to Tencent if the Mirriad share of revenue due from In-Video Advertising campaigns exceeds the minimum guarantee for that period. The minimum guaranteed revenue has been recognised in equal monthly instalments over the 12-month guarantee period from April 2021 to March 2022. The minimum guarantee was invoiced in nine equal monthly instalments from April to December 2021 and paid within 33 business days of the invoice date. There is no guaranteed amount in the second 12 months of the contract and therefore revenue recognition will follow the point in time revenue recognition policy outlined at the start of this policy note. Following the expiry of the minimum guarantee period in this Tencent contract the Company has no contracts with guaranteed revenues.

As at 31 December 2023 the total accrued revenue balance related to contract assets was £4k (2022: £18k). This balance was fully invoiced to customers in January 2024.

As at 31 December 2023 the total deferred revenue balance related to contract liabilities was £3k (2022: £14k). This will all be recognised in 2024.

2.6 Cost of sales

Cost of sales comprises mostly of costs directly related to the ad delivery team in India, which performs the integration work of the creative imagery into the original content and quality control of the end result. All other staff costs are included in administrative costs below gross profit. Cost of sales also includes sales commission due to third parties and costs incurred in procuring products to be photographed for insertion into in-video advertising campaigns.

2.7 Interest income

Interest income is recognised using the effective interest rate method.

2.8 Current and deferred tax

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable or receivable in respect of the taxable profit or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax is the timing difference between the tax base and the carrying value in the balance sheet. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

2. ACCOUNTING POLICIES CONTINUED

2.8 Current and deferred tax continued

Research and development tax credits are recognised as an income tax credit in the income statement, with a corresponding asset recognised until the amounts are received. Such amounts are only recognised at the year end based on an assessment of relevant time spent by employees on research and development activities. Where government grants have been received against the same employee costs, such amounts are removed from the R&D tax credit calculations.

Research and development expenditure credits ("RDEC") are recognised as other operating income in the income statement with a corresponding tax charge recognised as an income tax charge in the income statement.

2.9 Leases

The Group leases offices in the countries where it operates, and rental contracts are typically made for fixed periods of 1 to 10 years but may be extended in some cases. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions. The incremental interest rates used for office lease agreements which were in effect during the current year were as follows:

- UK – 3.19% (2022: 3.19%)
- China – lease ended in 2022 (2022: 4.75%)
- India – 8.25% (2022: 8.25%)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

As all the right-of-use assets held by the Group are property leases these are depreciated over the non-cancellable portion of the lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

The depreciation charge related to right-of-use lease assets, additions to right-of-use assets and the carrying amount of

right-of-use assets at the end of the reporting period are all presented in note 12. The interest expense on lease liabilities is shown in note 8.

2.10 Employee benefits

(i) Pension

The Group operates defined contribution pension schemes for UK and USA employees. The contributions are recognised as an employee benefit expense when they are due. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the consolidated statement of financial position. The Group has no further payment obligation once the contributions have been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES CONTINUED

2.10 Employee benefits

(ii) Annual bonus plan

The Group operates an annual bonus plan for all employees. An expense is accrued over the related service period and recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.11 Share-based payments

The Group operates a number of equity-settled, share-based compensation schemes to certain key employees. The fair value of share-based payments under such schemes is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding entry to equity. In arriving at this estimate the Group takes into account non-market-based factors and the expected attrition of employees over the year.

Fair value is generally determined using the Black-Scholes model and requires several assumptions and estimates as disclosed in note 20. For options with market performance conditions the fair value and estimated vesting period are determined using a combination of Binomial and Monte Carlo methods as disclosed in note 20.

2.12 Property, plant and equipment

Tangible assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

Depreciation and residual values

The fixed assets have been depreciated on a straight line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the Group's business, and the rates are as follows:

- Fixtures, fittings and computer equipment – 3 years
- Leasehold improvements – 5 years (based on length of current lease)
- Right-of-use assets – 2–5 years based on non-cancellable portion of current leases

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in "Administrative expenses".

2.13 Intangible assets

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the development employee costs and the fees of any contractors directly involved in the project.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

Computer software development costs recognised as assets are amortised over their estimated useful life, which does not exceed three years.

2. ACCOUNTING POLICIES CONTINUED

2.13 Intangible assets continued

Intellectual property and patents

Patents and brand assets acquired were valued based on a relief from royalty approach, and are amortised over their useful economic life of four years. Brand assets are included in "Other intangible assets".

Intangible assets are stated at cost or valuation less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Patents – 4 years
- Internally generated software development costs – 3 years
- Other intangible assets – 4 years

Amortisation is charged to administrative expenses in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

2.14 Investment impairment

Investments in subsidiaries are held at cost less accumulated impairment losses. These are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs of disposal and value in use.

2.15 Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses in accordance with IFRS 9, please see note 14 for further details.

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of 95 days or less.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.19 Share capital

Ordinary Shares and deferred shares are classified as equity. Incremental costs directly attributable to the issue of new Ordinary and preference shares or options are shown in equity as a deduction, net of tax, from the proceeds, and taken against the share premium account.

2.20 Related party transactions

The Group discloses transactions with Directors and related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group historical financial information. It does not disclose transactions with members of the same Group that are wholly owned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

3. FINANCIAL RISK MANAGEMENT

3.1 Group financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), climate change, credit risk and liquidity risk. The Group's overall risk management programme is focused on operating cost and cash management.

(a) Currency risk

The Group operates internationally and is exposed to foreign exchange risk from various currency exposures, primarily with respect to the US Dollar and Indian Rupee. Foreign exchange risk arises from commercial transactions and investments in foreign subsidiaries.

The Group has certain investments in foreign subsidiaries, whose net assets are exposed to foreign currency translation risk. There are currently no measures in place to manage currency exposure arising from the net assets of the Group's foreign operations. Such movements are recognised in the income statement and statement of comprehensive income. For the year ended 31 December 2023 the revaluation gain on foreign subsidiary net assets recognised in the statement of comprehensive income was £3k (2022: gain of £44k).

Where there are fluctuations in the value of Sterling, there has been mixed impact on the Group. When Sterling depreciates, the Group's overseas income increases but the cost base rises. Conversely when Sterling appreciates, revenues are reduced but costs also decrease. As the Group is currently loss making, any appreciation in Sterling has a beneficial impact on the net loss.

(b) Climate change risk

We have considered the climate related risk including both transition as well as physical impacts and how these will affect our business and operations. We have analysed the impact of climate change on the financial statements by considering whether additional provisions and contingent liabilities are required, considering the impact on going concern and impact on critical estimates and judgements. As a result of our analysis, we have concluded that the climate change does not have a material impact on the financial statements.

(c) Credit risk

In common with most businesses, the Group extends credit to its customers. The credit risk on this activity is judged as low and the Group has not experienced significant bad debt. Most clients are large blue-chip organisations and further credit checks are not carried out before entering into commercial arrangements. Standard credit terms offered are 30 days but this can vary depending on the commercial agreement reached. See note 16 for further disclosures on credit risk.

(d) Liquidity risk

Cash flow forecasting is performed centrally on a rolling basis for the Group as a whole and the Company ensures that the subsidiaries have sufficient cash to meet their local operational needs.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings, based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
As at 31 December 2023				
Trade and other payables	**882**	**–**	**–**	**–**
As at 31 December 2022				
Trade and other payables	1,159	213	–	–

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group considers capital to be its equity reserves, further details of which can be found in note 17.

The Group ensures it is meeting its objectives by reviewing its key performance indicators ("KPIs") to ensure cash consumption and costs are controlled, revenues are in line with expectations and key customers are under contract.

There is no debt in the Group (2022: none) and to date no dividends have been paid.

The Company's capital management objectives and strategy are the same as the Group's described above.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ERRORS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The critical estimates are considered by management to be the same for both the Group and the Company so there are no separate estimates and judgements presented for the Company unless explicitly stated below. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates

None.

Judgements

(i) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds available to enable it to continue to trade for the foreseeable future and not less than 12 months from the date of signing these financial statements. Please refer to section 1.1.1 under Basis of preparation above for more detail on the judgements involved.

(ii) Share-based payments

The Group and Company record charges for share-based payments. For option-based share-based payments management estimates certain factors used in the option pricing model, including volatility, vesting date of options and number of options likely to vest. If these estimates vary from actual occurrence, this will impact the value of the equity carried in reserves. The main area of judgement related to the estimated vesting period over which to spread the share-based payment charge for the market performance options issued in 2020. After reviewing data from Binomial modelling and uncertainty over whether price triggers for the vesting of the options would be met it was decided to spread the share-based payment charge for these options over their full 10-year lifespan with true-ups when bands of options actually vested. An estimated vesting period of less than 10 years would have led to the share-based payment charge for these options being recognised over a shorter time period. Up to the end of 2023 the cumulative share-based payment charge associated with the market performance options is £374k. If a vesting period of five years was used, the cumulative charge up to the end of 2023 would have been £475k. Further details of the Group's estimation of share-based payments are disclosed in note 20.

(iii) Capitalisation of internally developed software costs

Management reviewed whether there was any change in the financial circumstances of the business which warranted capitalisation of internally developed software costs as required under IAS 38. Given the continued uncertainty over future cash flows, management has determined that it would not be appropriate to capitalise any internally developed software for the current year (2022: £nil).

(iv) Unrecognised deferred tax asset

There is an unrecognised deferred tax asset of £22,533k (2022: £20,416k) in relation to the trading losses carried forward, provisions and future exercisable shares. In the opinion of the Directors, there is insufficient evidence at this point in time that the asset will be recovered; as such the deferred tax asset has not been recognised in the financial statements.

(v) Repayment of US intercompany loans

Management do not expect the repayment of intercompany loans provided to the US company in the near future, and as such these loans are considered part of the net investment in US company operations. Any foreign exchange gain or loss for these foreign currency loans is recognised as part of the Retranslation Reserve.

(vi) Recoverability of intercompany receivables (Company-only judgement)

At the end of the year the Company reviewed the likelihood of intercompany receivable balances being recoverable, and based on the uncertainty over future cash flows it was deemed that the amounts due from other Group entities were not likely to be recovered and were written off at the year end. The amount written off and taken as a P&L charge in the Company numbers was £1,089k (2022: £1,443k). This judgement only impacts the Company numbers and all intercompany balances net off on consolidation for the Group numbers.

(b) Correction of material error in calculating share based payment charge

In December 2022 an employee who held options left the Company and at that time previously accrued share based payment charge amounts related to their options were written back. In 2023 it was established that some of the options held by this employee vested monthly and were entitled to be retained after they left the Company. The error resulted in a material understatement of the share based payment charge recognised for 2022. There was no impact on any further prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ERRORS CONTINUED

(b) Correction of material error in calculating share based payment charge continued

The 2022 share based payment charge has now been restated to reinstate the amounts related to the options that the employee was entitled to retain on departure.

This error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Consolidated and Company balance sheet (extract)

	Group			Company		
	31 December 2022 £000	Increase / (decrease) £000	31 December 2022 (Restated) £000	31 December 2022 £000	Increase / (decrease) £000	31 December 2022 (Restated) £000
Share-based payment reserve	4,907	246	5,153	4,907	246	5,153
Accumulated losses	(59,273)	(246)	(59,519)	(60,563)	(246)	(60,809)

Consolidated statement of profit or loss (extract)

	Year ended 31 December 2022 £000	Profit Increase / (decrease) £000	Year ended 31 December 2022 (Restated) £000
Administrative expenses	(16,863)	(246)	(17,109)
Operating loss	(15,642)	(246)	(15,888)
Loss before income tax	(15,593)	(246)	(15,839)
Loss for the year	(15,101)	(246)	(15,347)

The impact on the Company profit and loss statement was to increase the loss for the year by £246k to £15,592k.

Consolidated statement of comprehensive income (extract)

	Year ended 31 December 2022 £000	Profit Increase / (decrease) £000	Year ended 31 December 2022 (Restated) £000
Loss for the financial year	(15,101)	(246)	(15,347)
Total comprehensive loss for the year	(15,057)	(246)	(15,303)

Basic loss per share for the prior year has also been restated. The amount of the correction for basic loss per share was a decrease of 1p per share.

The correction further affected some of the amounts disclosed in notes 5 (loss before tax), 6, 7, 10, 11, 18, 20 and 21. The share based payment expense for the prior year increased by £246k.

There was no impact on cash flows in 2022.

There was no net impact on the tax credit for 2022, but the Deferred tax not recognised on unutilised losses increased by £46k.

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.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which 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.

5. SEGMENT INFORMATION CONTINUED

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	2023 £000	2022 £000
Turnover by geography		
USA	**1,429**	1,181
UK	**357**	178
China	**17**	148
Total	**1,803**	1,507

	2023 £000	2022 £000
Turnover by category		
Rendering of services	**1,803**	1,507
Total	**1,803**	1,507

Revenues from external customers by country, based on the destination of the customer	2023 £000	2022 £000
USA	**1,383**	1,101
Germany	**168**	68
United Arab Emirates	**92**	17
UK	**65**	28
Canada	**46**	80
China	**17**	148
Turkey	**16**	34
Japan	**12**	12
France	**4**	12
Belgium	**–**	7
Total	**1,803**	1,507

Revenues of £515k (2022: £161k) are derived from a single external customer based in the USA. None of the total revenue recognised for the year was recognised over time (2022: £83k) and £1,803k was recognised at a point in time (2022: £1,424k).

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:

	2023 £000	2022 Restated £000
UK	**(10,310)**	(12,242)
USA	**82**	(253)
India	**(732)**	(770)
China	**525**	(696)
Adjusted EBITDA	**(10,435)**	(13,961)
Share-based payment expense	**(726)**	(1,487)
Total EBITDA	**(11,161)**	(15,448)
Depreciation	**(316)**	(440)
Finance income net	**110**	49
Loss before tax	**(11,367)**	(15,839)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

5. SEGMENT INFORMATION CONTINUED

Loss before tax continued

2022	Depreciation £000	Income tax credit/(charge) £000	Finance Income/ (charge) net £000
UK	(283)	531	56
USA	—	—	—
India	(103)	(39)	(8)
China	(54)	—	1
Total	(440)	492	49

2023	**Depreciation £000**	**Income tax credit/(charge) £000**	**Finance income/ (charge) net £000**
UK	**(239)**	**457**	**108**
USA	**(1)**	**—**	**—**
India	**(75)**	**(25)**	**2**
China	**(1)**	**—**	**—**
Total	**(316)**	**432**	**110**

Non-current assets	**2023 £000**	2022 £000
UK	**163**	560
USA	**29**	28
India	**89**	141
China	**—**	3
Total	**281**	732

The main non-current asset balances in the UK relate to right-of-use assets and leasehold improvements.

Total assets	**2023 £000**	2022 £000
UK	**6,378**	12,141
USA	**2,385**	1,846
India	**369**	429
China	**—**	355
Total	**9,132**	14,771

The main asset balance in the UK is the cash balance which is used to fund the business and support the subsidiary entities.

Liabilities	**2023 £000**	2022 £000
UK	**1,024**	1,784
USA	**1,368**	1,363
India	**165**	249
China	**—**	249
Total	**2,557**	3,645

6. OPERATING LOSS

The Group operating loss is stated after charging/(crediting):

	Note	2023 £000	2022 Restated £000
Employee benefits excluding restructuring costs		**8,422**	11,447
Restructuring costs		**359**	—
Depreciation of property, plant and equipment	12	**316**	440
Foreign exchange movements		**62**	7
Other general and administrative costs		**4,121**	5,176
Office closure costs		**—**	325
Total cost of sales, administrative expenses and other operating income		**13,280**	17,395

The Employee benefits numbers above include £3,260k (2022: £3,957k) related to Research and Development activities. Other general and administrative costs includes legal and professional fees, IT infrastructure and software-related costs, of which £947k (2022: £1,210k) is related to Research and Development activities, property costs, marketing and research costs.

Office closure costs in the prior year includes employee redundancy and other expenses related to the closure of the China office. Of this total £126k was incurred in 2022 and £198k was provided for at the end of December 2022.

During the years indicated the Group obtained the services from and paid the fees of the Group's auditors as detailed below:

	2023 £000	2022 £000
Audit fees	**148**	135
Total	**148**	135

Non-audit fees payable to PricewaterhouseCoopers LLP were £nil (2022: £nil).

7. EMPLOYEES

7.1 Employee benefit expense

	Group		Company	
	2023 £000	2022 Restated £000	2023 £000	2022 Restated £000
Wages and salaries	**7,170**	8,906	**3,977**	5,056
Social security costs	**618**	741	**468**	494
Share options granted to Directors and employees	**726**	1,487	**726**	1,487
Other pension costs	**267**	313	**203**	248
Total	**8,781**	11,447	**5,374**	7,285

All pension costs relate to the defined contribution scheme.

The key management are considered to be the Directors of the Company. Remuneration of Directors including aggregate emoluments, details of any contributions made in respect of money purchase schemes, and whether the highest-paid Director exercised any share options is disclosed in the Remuneration Report on pages 51 and 52.

7.2 Average number of people employed

	Group		Company	
By activity	2023 Number	2022 Number	2023 Number	2022 Number
Average monthly numbers of persons employed (including Directors) by the Company during the year was:				
Sales and account management	**10**	18	**1**	5
Ad operations and delivery	**38**	54	**3**	4
Research and development	**25**	37	**20**	30
Marketing, product and research	**6**	7	**5**	5
Management and administration	**10**	10	**10**	10
	89	126	**39**	54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

8. FINANCE INCOME AND COSTS

Finance income	2023 £000	2022 £000
Interest on short-term deposit	**111**	72
Finance income	**111**	72
Finance costs		
Interest and finance charges paid for lease liabilities	**(1)**	(23)
Finance costs	**(1)**	(23)
Net finance income/(costs)	**110**	49

9. INVESTMENTS

The amounts recognised in the Company balance sheet are as follows:

	2023 £000	2022 £000
At 1 January	**11**	421
Additions	**–**	358
Impairment	**–**	(768)
Total investments at 31 December	**11**	11

In the prior year the Company made an investment into the Chinese subsidiary to fund ongoing operations and working capital requirements. Subsequently a decision was taken by the Board to exit the Chinese market at the end of March 2023 so it was deemed appropriate to fully impair and write down the carrying value of the investment in Mirriad Software Science and Technology (Shanghai) Co. Ltd in the year ended 31 December 2022. This company was fully liquidated during 2023.

During the year the Company had interests in the following investments, all of which are consolidated in the Group historical financial information. There are no capital contributions related to share-based payments. The subsidiaries as listed below have share capital consisting solely of Ordinary Shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Name of subsidiary or Group undertaking	Registered address	Nature of business	Country of registration and operation	Proportion of nominal value of shares and voting rights held
Mirriad Advertising Private Limited	Offices Nos. 401 & 402 Palm Spring Centre, Link Road, above Croma, Malad (w), Mumbai-400 064	Provision of embedded advertising into video	India	100%
Mirriad Inc.	116 North Poinsettia Place, West Hollywood, CA 90046	Provision of embedded advertising into video	USA	100%
Mirriad Software Science and Technology (Shanghai) Co. Ltd.	N/A – now liquidated	N/A – now liquidated	China	100%
Mirriad Limited	6th Floor, One London Wall, London EC2Y 5EB, United Kingdom	Dormant	UK	100%

The nominal value of issued shares for the companies still in operation as at 31 December 2023 is as follows:

- Mirriad Advertising Private Limited: 10,000 class A shares of 10 INR and 2,683,995 class B shares of 10 INR;
- Mirriad Inc.: 1,000 shares of 0.001 USD; and
- Mirriad Limited: 1 share of 0.01 GBP.

10. INCOME TAX CREDIT

Tax credit included in profit and loss	2023 £000	2022 £000
Current tax		
Research and development tax credit for the year	**(457)**	(529)
Adjustment in respect of prior years	**–**	(2)
Foreign tax payable	**25**	39
Total current tax	**(432)**	(492)
Deferred tax		
Origination and reversal of timing differences	**–**	–
Total deferred tax	**–**	–
Tax on loss	**(432)**	(492)

UK corporation tax credit relates to R&D tax credits receivable by the Group and represents the full balance included in Other current assets in the Group and Company balance sheets.

Reconciliation of tax credit

The tax assessed for the year is based on a blended standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are outlined below:

	2023 £000	2022 Restated £000
Loss before tax	**(11,367)**	(15,839)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.5% (2022: 19%)	**(2,671)**	(3,009)
Effects of:		
Expenses not deductible for tax purposes	**315**	417
Adjustments to tax credit in respect of previous years	**–**	(2)
Differences in subsidiary tax rates	**–**	(29)
Effect of change of tax rate on opening balances	**(113)**	(639)
Enhanced R&D deduction	**(463)**	(392)
R&D tax credit receivable	**(457)**	(529)
Surrender of losses for R&D tax credit	**929**	694
Use of prior year losses	**(11)**	(10)
Deferred tax not recognised on unutilised losses	**2,039**	3,007
Total tax credit for the year	**(432)**	(492)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2023, the current weighted averaged tax rate was 23.5%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

10. INCOME TAX CREDIT CONTINUED

Reconciliation of tax credit continued

The tax credit relating to components of other comprehensive income/(loss) is as follows:

	2023		
	Before tax £000	**Tax (charge)/credit £000**	**After tax £000**
Fair value income			
Currency translation differences	**3**	**–**	**3**
Other comprehensive income	**3**	**–**	**3**

	2022		
	Before tax £000	Tax (charge)/ credit £000	After tax £000
Fair value income			
Currency translation differences	44	–	44
Other comprehensive loss	44	–	44

Deferred tax

The following tables represent deferred tax balances recognised in the consolidated balance sheet, and the movements in both the deferred tax asset and the deferred tax liability.

There is a deferred tax liability of £347k (2022: £347k) in respect of the intangible asset acquired on acquisition of the trade and assets of Mirriad Limited in 2015, which has been immediately offset against the acquired unrecognised deferred tax asset in relation to trading losses carried forward.

	2023 £000	2022 £000
Deferred tax assets	**347**	347
Deferred tax liabilities	**(347)**	(347)
Net balances	**–**	–

Movements on the deferred tax asset

	2023 £000	2022 £000
At 1 January	**347**	347
Acquisition during the year	**–**	–
At 31 December	**347**	347

Movements on the deferred tax liability

	2023 £000	2022 £000
At 1 January	**(347)**	(347)
Acquisition during the year	**–**	–
At 31 December	**(347)**	(347)

There is an unrecognised deferred tax asset of £22,533k (2022: £20,416k) in relation to the trading losses carried forward of £76,755k (2022: £68,911k), provisions and future exercisable shares.

Unrecognised deferred tax has been calculated at 25% (2022: 25%), reflecting the latest enacted rate for UK deferred tax balances and the prevailing domestic tax rate in each country for the deferred tax balances of the foreign subsidiaries.

The unrecognised deferred tax asset would be recovered against future Company taxable profits. In the opinion of the Directors, there is insufficient evidence that the asset will be recovered; as such the deferred tax asset has not been recognised in the financial statements.

Factors that may affect future tax charges

From 1 April 2023 the main rate of corporation tax increased from 19% to 25%. From 1 April 2023, the rates of SME R&D relief reduced to an additional 86% corporation tax deduction from the current 130% additional tax deduction. Also, the rate of Research & Development Expenditure Credit ("RDEC") increases to 20% from 13%.

11. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the 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	2023	2022 Restated
Loss attributable to owners of the parent (£000)	**(10,935)**	(15,347)
Weighted average number of Ordinary Shares in issue (number)	**400,076,713**	279,180,808

The loss per share for the year was 2.7p (2022 restated: 5.5p).

No dividends were paid during the year (2022: £nil).

(b) Diluted

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

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Fixtures, fittings and computer equipment £000	Right-of-use assets £000	Leasehold improvements £000	Total £000
At 1 January 2022				
Cost or valuation	528	1,527	358	2,413
Accumulated depreciation	(372)	(946)	(327)	(1,645)
Net book amount	156	581	31	768
Year ended 31 December 2022				
Opening net book amount	156	581	31	768
Additions	67	141	9	217
Disposals	(17)	–	–	(17)
Depreciation charge	(99)	(303)	(38)	(440)
Depreciation on disposals	17	–	–	17
Closing net book amount	124	419	2	545
At 31 December 2022				
Cost or valuation	578	1,668	367	2,613
Accumulated depreciation	(454)	(1,249)	(365)	(2,068)
Net book amount	124	419	2	545
Year ended 31 December 2023				
Opening net book amount	124	419	2	545
Additions	39	–	–	39
Disposals	(35)	–	–	(35)
Depreciation charge	(60)	(254)	(2)	(316)
Depreciation on disposals	28	–	–	28
Closing net book amount	**96**	**165**	**–**	**261**
At 31 December 2023				
Cost or valuation	582	1,668	367	2,617
Accumulated depreciation	(486)	(1,503)	(367)	(2,356)
Net book amount	**96**	**165**	**–**	**261**

As at 31 December 2023 there were no contractual commitments to purchase any further property, plant and equipment (2022: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Company

	Fixtures, fittings and computer equipment £000	Right-of-use assets £000	Leasehold improvements £000	Total £000
At 1 January 2022				
Cost or valuation	397	1,134	355	1,886
Accumulated depreciation	(316)	(604)	(321)	(1,241)
Net book amount	81	530	34	645
Year ended 31 December 2022				
Opening net book amount	81	530	34	645
Additions	26	–	9	35
Disposals	(17)	–	–	(17)
Depreciation charge	(37)	(205)	(41)	(283)
Depreciation on disposals	17	–	–	17
Closing net book amount	70	325	2	397
At 31 December 2022				
Cost or valuation	406	1,134	364	1,904
Accumulated depreciation	(336)	(809)	(362)	(1,507)
Net book amount	70	325	2	397
Year ended 31 December 2023				
Opening net book amount	70	325	2	397
Additions	9	–	–	9
Disposals	(15)	–	–	(15)
Depreciation charge	(32)	(205)	(2)	(239)
Depreciation on disposals	11	–	–	11
Closing net book amount	**43**	**120**	**–**	**163**
At 31 December 2023				
Cost or valuation	400	1,134	364	1,898
Accumulated depreciation	(357)	(1,014)	(364)	(1,735)
Net book amount	**43**	**120**	**–**	**163**

13. INTANGIBLE ASSETS

Group and Company

	Patents £000	Internally generated software development costs £000	Other £000	Total £000
Cost				
At 1 January 2022 and 31 December 2023	1,689	2,241	352	4,282
Accumulated amortisation and impairment				
At 1 January 2022 and 1 January 2023	(1,689)	(2,241)	(352)	(4,282)
Amortisation charge	—	—	—	—
At 31 December 2023	**(1,689)**	**(2,241)**	**(352)**	**(4,282)**
Net book value				
Cost	1,689	2,241	352	4,282
Accumulated amortisation and impairment	(1,689)	(2,241)	(352)	(4,282)
At 31 December 2022	—	—	—	—
Cost	1,689	2,241	352	4,282
Accumulated amortisation and impairment	(1,689)	(2,241)	(352)	(4,282)
At 31 December 2023	**—**	**—**	**—**	**—**

Intangible assets comprise two patents acquired from Mirriad Limited in 2015 which were amortised on a straight line basis over four years.

Other intangibles above include the technology acquired from Mirriad Limited, which has a carrying net book value of £nil (2022: £nil) and the Mirriad brand acquired as part of the same transaction, which has a carrying value of £nil (2022: £nil). These items were amortised on a straight line basis over four years.

The internally generated software costs reflect staff time incurred on two main products for internal use which underpin the business processes. These development costs have been offset by grant income received for the same staff costs over the relevant years. To the extent that work on the products reflects research or maintenance activities, such related costs have not been capitalised. The capitalised software development costs are being amortised on a straight line basis over three years.

In 2018 management determined that the lower than expected revenue growth and the decline in market capitalisation constituted triggering events in accordance with IAS 36, and hence an impairment of the internally generated software costs was required. While management believes the software remains critical to the future success of the business and the software continues to be used with the Group's clients, the uncertainty over future cash flows resulting from slower than anticipated revenue growth meant that in 2018 management believed it was appropriate to take an impairment charge against the asset and write the carrying value down to zero. For the current year management maintains the above view and as a result has taken the decision to not capitalise any development costs in 2023. Accordingly the income statement includes £3,260k (2022: £3,957k) related to research and development ("R&D") activity.

Neither the patents nor the other intangible assets were deemed to be impaired as part of the review in 2018 but were subsequently written down fully in 2019.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Trade receivables – net	**1,731**	1,648	**43**	218
Other tax receivable	**88**	77	**—**	—
Other debtors	**191**	237	**179**	164
Accrued income	**4**	18	**4**	1
Prepayments	**291**	428	**245**	321
	2,305	2,408	**471**	704
Less non-current portion: other debtors	**(20)**	(188)	**—**	(163)
Current portion	**2,285**	2,220	**471**	541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

14. TRADE AND OTHER RECEIVABLES CONTINUED

As at 31 December 2023 the total accrued revenue balance related to contract assets was £4k (2022: £18k). Trade receivables are stated after an expected credit loss reserve, as required by IFRS 9, of £29k (2022: £46k). The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined based on application of a specific expected loss rate to each category of days past due with majority weighting on the trade receivables of £493k which were more than 60 days past due. These relate to nine customers, none of which have a recent history of default. The ageing history of these trade receivables is as follows:

	2023 £000	2022 £000
Up to three months	**380**	8
Three to six months	**113**	9
Over six months	**—**	—
Total	**493**	17

15. TRADE AND OTHER PAYABLES AND PROVISIONS

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Trade creditors and other payables	**672**	837	**176**	201
Current tax liabilities	**14**	14	**—**	—
Deferred income	**3**	14	**3**	—
Other taxation and social security	**197**	210	**197**	204
Intercompany balances	**—**	—	**—**	221
Accruals	**1,461**	1,843	**505**	945
Provisions	**—**	198	**—**	—
Total	**2,347**	3,116	**881**	1,571

As at 31 December 2023 all of the £3k deferred revenue balance (contract liabilities) related to Black C Media (2022: £nil). This will all be recognised in 2024. At the end of December 2022 the largest individual deferred revenue balance was £11k, related to Bell Media. Provisions at the end of December 2022 included known and estimated expenses related to the closure of the China office.

16. FINANCIAL INSTRUMENTS

The Group has the following financial instruments:

	2023 £000	2022 £000
Financial assets that are debt instruments measured at amortised cost:		
– Trade debtors	**1,731**	1,648
– Other debtors	**203**	266
Total	**1,934**	1,914
Financial liabilities measured at amortised cost:		
– Trade creditors	**672**	837
– Lease liabilities	**210**	529
Total	**882**	1,366

None of the financial assets are considered to be impaired.

The Group has no financial assets at fair value through the income statement (2022: nil) and no financial assets that are equity instruments measured at cost less impairment (2022: nil).

Derivative financial instruments

The Group has no interest rate derivative financial instruments.

Interest and finance charges for lease liabilities and interest on short-term deposits is disclosed in note 8.

16. FINANCIAL INSTRUMENTS CONTINUED

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2023 £000	2022 £000
Trade receivables		
Counterparties without external credit rating:		
Group 1	**157**	862
Group 2	**1,574**	786
Group 3	**—**	—
Total unimpaired trade receivables	**1,731**	1,648
Cash at bank and short-term bank deposits:		
A1	**5,287**	6,477
A2	**638**	327
Aa3	**—**	4,034
Baa3	**184**	451
	6,109	11,289
Cash in hand	**—**	—
Total cash and cash equivalents	**6,109**	11,289

Group 1 – new customers (less than six months).

Group 2 – existing customers (more than six months) with no defaults in the past.

Group 3 – existing customers (more than six months) with some defaults in the past.

17. SHARE CAPITAL AND PREMIUM

Share premium and nominal value of share capital

	Ordinary Shares £000	Deferred shares £000	Total share capital £000	Share premium £000	Total £000
At 1 January 2022	3	50	53	65,755	65,808
Proceeds from shares issued	—	—	—	—	—
At 31 December 2022	3	50	53	65,755	65,808
Proceeds from shares issued	2	—	2	6,302	6,304
Share issue costs	—	—	—	(649)	(649)
At 31 December 2023	**5**	**50**	**55**	**71,408**	**71,463**

Ordinary Shares of £0.00001 each

Allotted and fully paid	Number
At 1 January 2022 and 31 December 2022	279,180,808
At 1 January 2023	279,180,808
Issued during the year	210,128,596
At 31 December 2023	**489,309,404**

There is a single class of Ordinary Shares. There are no restrictions on the distribution of dividends and the repayment of capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

17. SHARE CAPITAL AND PREMIUM CONTINUED

Deferred shares of £0.025 each

Allotted and fully paid	Number
At 1 January 2022 and 31 December 2022	1,995,936
At 1 January 2023	1,995,936
Issued during the year	–
At 31 December 2023	**1,995,936**

The deferred shares do not have any voting rights attached and no entitlement to receive any dividend or other distribution. On a return of assets in a winding-up or otherwise the holders of deferred shares will only be entitled to repayment of the amounts paid up on such shares after repayment of £10 million per Ordinary Share. The Company may, subject to appropriate shareholder approval, elect to buy back the deferred shares at a later date for an aggregate amount of £0.01 for each holder's total holding of deferred shares.

The share capital reserve consists of shares issued to the Group's investors.

The number of authorised shares is uncapped.

The share premium reserve consists of amounts paid in addition to the nominal value of the Ordinary Shares, less any direct costs and fees incurred during the investment.

The profit and loss account consists of accumulated losses.

18. SHARE-BASED PAYMENT RESERVE

	Group and Company Restated £000
At 1 January 2022	3,666
Share-based payments recognised as expense - restated	1,487
At 31 December 2022 restated	5,153
At 1 January 2023	5,153
Share-based payments recognised as expense	726
At 31 December 2023	**5,879**

The cost of equity-settled share-based payments are recognised in the income statement, together with a corresponding increase in equity in this share-based payment reserve during the vesting period. Note 20 explains the employee option schemes in more detail.

19. RETRANSLATION RESERVE

	Group £000
At 1 January 2022	(360)
Translation income for the year	44
At 31 December 2022	(316)
At 1 January 2023	(316)
Translation income for the year	3
At 31 December 2023	**(313)**

The other reserve contains the translation losses for the year which result from the revaluation of subsidiary opening net assets and reserves. Such translation movements are recorded in the statement of comprehensive income and this reserve.

20. SHARE-BASED PAYMENTS

Certain employees participate in the employee share option scheme, which provides additional remuneration for those employees who are key to the operations of the Group. In accordance with IFRS 2 “Share-based payments” the cost of the equity-settled transactions is measured by reference to their fair value at the date at which they are granted. For options with a time-based vesting under the Unapproved and EMI option schemes fair value is determined using the Black-Scholes model. For options that have a market performance element the fair value and estimated vesting period are determined using a combination of Binomial and Monte Carlo methods. The cost of equity-settled transactions is recognised over the period until the award vests. No expense is recognised for awards that do not ultimately vest. At each reporting date, the cumulative expense recognised for equity-based transactions reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors at that date, will ultimately vest.

The cost of equity-settled share-based payments are recognised in the income statement of both the Group and the Company, together with a corresponding increase in equity during the vesting period – please see note 18 for details of the share-based payment reserve. During the 12 months ended 31 December 2023, the Group and Company recognised a share-based payment expense of £726k (2022 restated: £1,487k). The charge is included within administrative expenses.

The Company grants share options under an Unapproved Share Option Scheme (the “Unapproved Scheme”) and under its tax efficient EMI Option Scheme (the “EMI Scheme”). More details on the two schemes can be found below and all notes and disclosures apply to both the Group and Company financial statements.

In October 2023 the Company reviewed existing grants under the Company’s long-term incentive plan and it was the Board’s view that many of the options granted historically under the LTIP have a relatively high exercise price compared to the 2023 Placing price of 3p per Ordinary Share of £0.00001 each. The Board therefore believed that the existing LTIP options were not acting as an important additional incentive to motivate and retain staff. As a result, the Company offered staff holding options granted before 1 January 2023 under the LTIP with a strike price of over 3p each the opportunity to surrender their existing options over the Ordinary Shares (under the current LTIP) in exchange for new three-year options over Ordinary Shares with a strike price of 3p each (being equal to the 2023 Placing price). The terms of the offer were that staff may surrender one existing option in return for one new option so the total volume of issued options over the Company’s Ordinary Shares remains unchanged. This offer was not made to the Directors. The result of this exercise was that a total of 8,635,490 options were surrendered and reissued on 2 October 2023. Of the surrendered options 4,778,519 were originally issued as EMI options and 3,856,971 under the Unapproved Scheme. When these options were reissued 5,298,308 were granted under the EMI scheme and 3,337,182 under the Unapproved Scheme.

Unapproved Scheme

Under the Unapproved Scheme, options are granted to non-UK-based employees or UK-based employees who have exceeded their EMI limits, usually at an exercise price deemed to be market value of the shares at the date of grant. The vesting conditions for the options in issue during the year are as follows:

- 25,564,470 options at market value with one-third exercisable on the first anniversary of the grant, a further third exercisable on the second anniversary of the grant and the remainder exercisable three years after the date of grant.
- 1,269,121 options at nominal value with one-third exercisable on the first anniversary of the grant, a further third exercisable on the second anniversary of the grant and the remainder exercisable three years after the date of grant.
- 1,230,363 options at market value which are exercisable three years from the date of grant. These options were authorised in May 2020 by the Company’s Remuneration Committee and granted to a number of the Company’s senior staff. Unlike most of the options issued historically at that time these options vest monthly over the 36 months of the scheme and are only capable of exercise at the end of that 36-month period.
- 7,249,400 options at market value which only vest if specified market performance conditions are met. The Binomial model was used initially to estimate when these options were likely to vest based on the share price targets specified in the option agreements. Due to a low share price at the date the options were granted and a high historic share price volatility the Binomial model predicted that the options would never vest. However, management believed that there was a value attached to these options and a corresponding share-based payment charge should be recognised, and subsequently took the decision to spread the cost over the full 10-year lifespan of the options.
- 400,000 options at nominal value with one-third exercisable three months after the grant date, a further third exercisable 15 months after grant date and the remainder exercisable 27 months after the date of grant.
- 1,250,600 options at nominal value with one-third vesting immediately upon grant, a further third exercisable six months after grant date and the remainder exercisable 18 months after the date of grant.
- 1,875,000 options at market value with one-half exercisable on the first anniversary of the grant and the remainder exercisable two years after the date of grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

20. SHARE-BASED PAYMENTS CONTINUED

Unapproved Scheme continued

- 150,120 options at market value which are exercisable two years from the date of grant. These options vest monthly over the 24-month vesting period and are only capable of exercise at the end of that 24-month period.
- 288,214 options at market value with one-third exercisable on the second anniversary of the grant, a further third exercisable on the third anniversary of the grant and the remainder exercisable four years after the date of grant.
- 239,516 options at market value which are exercisable 18 months from the date of grant. These options vest monthly over the 18-month vesting period and are only capable of exercise at the end of that 18-month period.
- 2,140,106 options at market value which fully vest and are exercisable two years from the date of grant.
- 1,878,814 options at nominal value which fully vest and are exercisable 12 months from the date of grant. These options were granted to the CEO and CTO in exchange for a 12-month salary reduction from August 2023 to July 2024.
- 1,448,400 options at market value which fully vest and are exercisable 12 months from the date of grant. These options were granted to the GM North America in exchange for a 12-month salary reduction from August 2023 to July 2024.

All vested options expire 10 years after the date of grant.

In the year ended 31 December 2023, the Company granted 28,016,585 (2022: 3,980,455) share options under the Unapproved Scheme. Of this total 3,337,182 related to the options surrendered and reissued during the year to eligible option holders.

No Unapproved options were exercised during the year (2022: nil).

EMI Scheme

Under the EMI Scheme options are granted to UK-based employees at a fair value. Historically, for options granted, one-third are exercisable on the first anniversary of the grant, a further third are exercisable on the second anniversary of the grant and the remainder are exercisable three years after the date of grant. All vested options expire 10 years after the date of grant.

The options issued in 2015 vested immediately.

In May 2020 the Company's Remuneration Committee authorised the grant of new options to a number of the Company's senior staff. Unlike the options issued historically these options vest monthly over the 36 months of the scheme and are only capable of exercise at the end of that 36-month period.

In November 2021 new options were issued to two members of senior staff. These options vest monthly over the 18-month period of the scheme and can only be exercised at the end of the 18-month period.

In November 2021 the Company decided to issue options to widen share option participation among its staff to incentivise and retain a broader group of employees, and issued further options of this type in June 2022. One-third of these options are exercisable on the second anniversary of the grant, a further third are exercisable on the third anniversary of the grant and the remainder are exercisable four years after the date of grant.

In June 2022 and July 2023 the Company's Remuneration Committee authorised the grant of new options to a number of the Company's senior staff which fully vest and are exercisable two years from the date of grant.

In August 2023 the Company granted options to a wider pool of managers, and these options vest in equal instalments over three years.

In November 2023 the new CFO was granted EMI options which vest in equal instalments over three years.

Employees are not entitled to dividends until the share options are exercised. Vesting of the options is subject to continued employment within the Group.

In the year ended 31 December 2023, the Company granted 9,977,976 (2022: 1,028,310) share options under the EMI Scheme. Of this total 5,298,308 related to the options surrendered and reissued during the year to eligible EMI option holders.

No EMI options were exercised during the year (2022: nil).

496,350 EMI options lapsed during the year (2022 restated: 1,939,391), and 4,778,519 EMI options were surrendered as noted above and subsequently reissued.

20. SHARE-BASED PAYMENTS CONTINUED

EMI Scheme continued

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2023		2022 Restated	
	Weighted average exercise price in £ per share option	Share options Number	Weighted average exercise price in £ per share option	Share options Number
EMI Scheme				
Outstanding at 1 January	**0.22**	**10,170,920**	0.23	11,082,001
Granted	**0.03**	**9,977,976**	0.21	1,028,310
Exercised	**—**	**—**	—	—
Forfeited	**(0.27)**	**(5,274,869)**	(0.27)	(1,939,391)
At 31 December	**0.07**	**14,874,027**	0.22	10,170,920
Unapproved Scheme				
Outstanding at 1 January	**0.19**	**22,091,005**	0.18	19,238,953
Granted	**0.03**	**28,016,585**	0.25	3,980,455
Exercised	**—**	**—**	—	—
Forfeited	**(0.20)**	**(5,123,466)**	(0.30)	(1,128,403)
At 31 December	**0.09**	**44,984,124**	0.19	22,091,005

Out of the 14,874,027 outstanding EMI Scheme options (2022 restated: 10,170,920), 4,675,836 options (2022: 1,402,543) were exercisable. The weighted average exercise price of the outstanding share options under the EMI Scheme at 31 December 2023 was £0.07 (2022 restated: £0.22).

Out of the 44,984,124 outstanding Unapproved Scheme options (2022 restated: 22,091,005), 10,276,561 options (2022: 8,035,500) were exercisable. The weighted average exercise price of the outstanding share options under the Unapproved Scheme at 31 December 2023 was £0.09 (2022: £0.19).

Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant-vest	Scheme	Expiry date	Exercise price in £ per share options	Share options 2023	Share options 2022 Restated
2015–18	Unapproved	20 Aug 2025	0.30	**631,053**	631,053
2016–19	Unapproved	16 Dec 2026	0.62	**1,126,652**	1,126,652
2017–20	Unapproved	16 Oct 2027	0.62	**225,000**	225,000
2018–21	EMI	1 Oct 2028	0.00001	**833,333**	833,333
2018–21	Unapproved	1 Oct 2028	0.00001	**1,269,121**	1,269,121
2018–21	EMI	9 Nov 2028	0.195	**394,210**	569,210
2019–22	Unapproved	16 May 2029	0.0625	**590,000**	690,000
2020–22	Unapproved	1 Apr 2030	0.07	**250,000**	250,000
2020–30*	Unapproved	2 Apr 2030	0.15	**7,249,400**	7,249,400
2020–21	Unapproved	2 Apr 2030	0.00001	**1,250,600**	1,250,600
2020–22	Unapproved	2 Apr 2030	0.00001	**400,000**	400,000
2020–23	Unapproved	18 May 2030	0.15	**1,230,363**	3,462,453
2020–23	EMI	18 May 2030	0.15	**2,864,827**	4,121,287
2020–22	Unapproved	19 Jun 2030	0.176	**125,000**	125,000
2020–22	Unapproved	29 Jun 2030	0.204	**250,000**	250,000
2021–23	Unapproved	28 May 2031	0.47	**150,120**	150,120
2021–23	Unapproved	1 Jun 2031	0.475	**250,000**	250,000
2021–23	Unapproved	25 Aug 2031	0.31	**750,000**	750,000

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20. SHARE-BASED PAYMENTS CONTINUED

EMI Scheme continued

				Share options	
Grant-vest	Scheme	Expiry date	Exercise price in £ per share options	2023	2022
2021–25	Unapproved	1 Nov 2031	0.34	**288,214**	802,596
2021–23	Unapproved	1 Nov 2031	0.34	**239,516**	437,555
2021–23	EMI	1 Nov 2031	0.34	**531,471**	1,266,765
2021–25	EMI	1 Nov 2031	0.34	**156,000**	2,543,115
2022–24	Unapproved	17 Jan 2032	0.265	**250,000**	250,000
2022–24	EMI	6 Jun 2032	0.21	**116,210**	405,710
2022–24	Unapproved	6 Jun 2032	0.21	**442,500**	1,470,598
2022–25	Unapproved	6 Jun 2032	0.21	**—**	858,000
2022–26	Unapproved	6 Jun 2032	0.21	**—**	192,857
2022–26	EMI	6 Jun 2032	0.21	**—**	431,500
2023–24	Unapproved	19 Jul 2033	0.00001	**1,878,814**	—
2023–24	Unapproved	19 Jul 2033	0.03	**1,448,400**	—
2023–26	Unapproved	19 Jul 2033	0.03	**18,610,583**	—
2023–25	EMI	19 Jul 2033	0.03	**1,144,668**	—
2023–25	Unapproved	19 Jul 2033	0.03	**1,697,606**	—
2023–26	EMI	30 Aug 2033	0.03	**1,035,000**	—
2023–26	Unapproved	30 Aug 2033	0.03	**1,044,000**	—
2023–26	EMI	2 Oct 2033	0.03	**5,298,308**	—
2023–26	Unapproved	2 Oct 2033	0.03	**3,337,182**	—
2023–26	EMI	7 Nov 2033	0.03	**2,500,000**	—
Total				**59,858,151**	32,261,925

* These options will only vest if certain market performance conditions are met.

The fair values for the EMI options and the non-performance related Unapproved options were estimated using the Black-Scholes option pricing model. The fair values for the Unapproved options with market performance conditions were estimated using the Monte Carlo pricing model. Expected volatility is based on the historic volatility of Mirriad shares over a five-year period based over the life of the options. The weighted average fair value of the options granted under the EMI Scheme during the year under this model was £0.02 per option (2022: £0.21). The weighted average fair value of the options granted under the Unapproved Scheme during the year under this model was £0.01 per option (2022: £0.25). The principal assumptions underlying the valuation of the options granted during the year at the date of grant are as follows:

	2023	2022
EMI Scheme		
Weighted average share price at grant date	**£0.02**	£0.21
Weighted average exercise price at grant date	**£0.03**	£0.21
Expected volatility	**113.25%**	94.20%
Expected life	**6.5 years**	6.5 years
Risk-free rate	**4.60%**	2.49%
Unapproved Scheme – non-performance options		
Weighted average share price at grant date	**£0.01**	£0.25
Weighted average exercise price at grant date	**£0.03**	£0.25
Expected volatility	**113.80%**	96.0%
Expected life	**6.5 years**	6.5 years
Risk-free rate	**4.29%**	2.00%

21. CASH USED IN OPERATIONS

		Group		Company	
	Note	**2023 £000**	2022 Restated £000	**2023 £000**	2022 Restated £000
Loss for the financial year		**(10,935)**	(15,347)	**(11,183)**	(15,592)
Adjustments for:					
Tax on loss on ordinary activities	10	**(432)**	(492)	**(457)**	(531)
Interest income	8	**(111)**	(72)	**(109)**	(69)
Lease interest costs	8	**1**	23	**1**	13
Operating loss		**(11,477)**	(15,888)	**(11,748)**	(16,179)
Depreciation of right-of-use assets	12	**254**	303	**205**	205
Depreciation of other tangible assets	12	**62**	137	**34**	78
Loss/(profit) on disposal of tangible assets		**3**	—	**—**	—
Bad debts written off/(reversed)		**26**	(1)	**—**	—
Impairment of investment in subsidiary	9	**—**	—	**—**	768
Share-based payment charge	20	**726**	1,487	**726**	1,487
Adjustments to tax credit in respect of previous years	10	**—**	2	**—**	2
Foreign exchange variance	19	**3**	44	**—**	—
Movement in provisions		**(198)**	198	**—**	—
Decrease/(increase) in debtors		**49**	(336)	**233**	(105)
(Decrease)/increase in creditors		**(557)**	38	**(690)**	(102)
Cash flow used in operations		**(11,109)**	(14,016)	**(11,240)**	(13,846)

22. CAPITAL AND OTHER COMMITMENTS

The Group had no capital and other commitments as at 31 December 2023 or for the year ended 31 December 2022.

23. RELATED PARTY TRANSACTIONS

The Group is owned by a number of investors, the largest being Rathbones Investment Management, which owns approximately 17% of the share capital of the Company. At 31 December 2022 the largest shareholder was M&G Investment Management which owned approximately 13% of the share capital of the Company. Accordingly there is no ultimate controlling party.

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

Transactions with Directors

As part of the fundraise in June 2023 the following Directors purchased Ordinary Shares in the Company at a cost of £0.03 per share (2022: none).

Director	Number of shares
John Pearson	333,333
Stephan Beringer	833,333
Bob Head	135,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

23. RELATED PARTY TRANSACTIONS CONTINUED

Transactions with other related parties

IP2IPO Limited – a company which shares a parent company with IP2IPO Portfolio (GP) Limited, a major shareholder in the Group, and which also appointed a Director of the Group up until 30 June 2023, charged Mirriad Advertising plc for the following transactions during the year: (1) £10k for the services of Lois Day as a Director for the period from 1 January 2023 until 30 June 2023 (2022: £10k). All of this amount was invoiced and paid as at 31 December 2023.

Parkwalk Advisors Limited – a company which shares a parent company with IP2IPO Portfolio (GP) Limited, a major shareholder in the Group, charged Mirriad Advertising plc for the following transactions during the year: (1) £10k for the services of Alastair Kilgour as a Director for the period from 1 January 2023 until 30 June 2023 (2022: £20k). All of this amount was invoiced and paid as at 31 December 2023.

All the related party transactions disclosed above were settled by 31 December 2023.

During the year ended 31 December 2023, the Company entered into transactions with its subsidiary companies for working capital purposes, which net off on consolidation – these have not been shown above.

The Directors have authority and responsibility for planning, directing and controlling the activities of the Group and they therefore comprise key management personnel as defined by IAS 24 "Related party disclosures". Remuneration of Directors and senior management is disclosed in the Directors' Remuneration table on page 52 in the Remuneration Report.

24. LEASE COMMITMENTS

All lease liabilities and right-of-use assets relate to offices leased in the countries where the Group operates. The depreciation charge on right-of-use assets is shown in note 12. The interest expense associated with leased assets is shown in note 8.

Lease liabilities

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Current	**210**	322	**158**	272
Non-current	**—**	207	**—**	157
Total	**210**	529	**158**	429

Future minimum lease payments as at 31 December 2023 are as follows:

	Group		Company	
	2023 £000	2022 £000	**2023 £000**	2022 £000
No later than one year	**210**	322	**158**	272
Later than one year and no later than five years	**—**	213	**—**	158
Total gross payments	**210**	535	**158**	430
Impact of finance expenses	**—**	(6)	**—**	(1)
Carrying amount of liability	**210**	529	**158**	429

25. EVENTS AFTER THE REPORTING PERIOD

On 7 May 2024 the Company announced a successful Placing, Retail Offer and Directors' Subscription that raised £6.8 million before fees, £6.2 million after fees. With the exception of the Director subscription element, amounting to £180k, all of these funds were received prior to the approval of these financial statements.

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000, as amended, or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in the Company, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

MIRRIAD ADVERTISING PLC

incorporated and registered in England and Wales under number 09550311

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of Mirriad Advertising plc (the "Company") to be held at the offices of Osborne Clarke LLP, 6th Floor, One London Wall, London EC2Y 5EB at 10.00 a.m. on 28 June 2024 is set out in this document.

If you plan to attend the AGM in person, please notify the Company in advance by email to mirriadplc@mirriad.com to assist us in planning and implementing arrangements for this year's meeting. Please include your name as shown on the Company's Register of Members.

In the event that any changes to the arrangements for the AGM are required prior to the date of the meeting, we will announce these through a regulatory news service and on the Company's website.

Shareholders are invited to submit any questions for the board of directors of the Company (the "Board" or the "Directors") by sending an email to mirriadplc@mirriad.com.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** of Mirriad Advertising plc will be held at the offices of Osborne Clarke LLP, 6th Floor, One London Wall, London EC2Y 5EB at 10.00 a.m. on 28 June 2024 for the purposes of considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and Resolutions 8 and 9 will be proposed as special resolutions.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, the audited financial statements and Independent Auditors' Report for the year ended 31 December 2023.
2. To receive and approve the Remuneration Report contained within the report and accounts for the year ended 31 December 2023.
3. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the members of the Company.
4. To authorise the Directors to fix the remuneration of the auditors.
5. To elect Mr. Nicholos Hellyer as a Director of the Company in accordance with the articles of association of the Company.
6. To re-elect Mr. John Pearson as a Director of the Company who retires in accordance with the articles of association of the Company.

SPECIAL BUSINESS

7. That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("Act") to exercise all the powers of the Company to:

   (a) allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares in the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £3,394 (such amount to be reduced by the nominal amount of any allotment or grants made under paragraph (b) below that are in excess of £3,394); and further.

   (b) allot equity securities of the Company (as defined in section 560 of the Act) up to an aggregate nominal amount of £6,788.01 (such amount to be reduced by the nominal amount of any allotment or grants made under paragraph (a) above) in connection with a fully pre-emptive offer:

      (i) in favour of holders of Ordinary Shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of Ordinary Shares in the capital of the Company held by them; and

      (ii) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

   but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions of such securities, the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, the use of one or more currencies for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares or any legal, regulatory or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or any other matter whatsoever, provided that (i) unless previously revoked, varied or extended, such authorities shall expire on the earlier of the conclusion of the Company's next Annual General Meeting and the date falling 15 months after the date of the passing of this resolution, and (ii) before such expiry the Company may make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot such relevant securities pursuant to any such offer or agreement as if the authority conferred by this Resolution 7 had not expired.

8. That, if Resolution 7 is passed, the Directors be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:

   (a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under paragraph (b) of Resolution 7, by way of a fully pre-emptive offer only):

      (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

      (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

SPECIAL BUSINESS CONTINUED

8. continued

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions of such securities, the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, the use of one or more currencies for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares or any legal, regulatory or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or any other matter whatsoever;

(b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £1,018.20; and

(c) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company (or, if earlier, the date falling 15 months after the date of the passing of this resolution) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

9. That, if Resolution 7 is passed, the Directors be authorised, in addition to any authority granted under Resolution 8, to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:

(a) the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,018.20 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and

(b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company (or, if earlier, the date falling 15 months after the date of the passing of this resolution) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

By order of the Board

Jamie Allen
Company Secretary
3 June 2024

REGISTERED OFFICE

6th Floor
One London Wall
London
EC2Y 5EB

Registered in England and Wales No. 09550311

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolution 1 – Receiving the account and reports

All public limited companies are required by law to lay their annual accounts before a general meeting of the Company, together with the Directors' reports and auditors' reports on the accounts. At the Annual General Meeting, the Directors will present these documents to the members for the financial year ended 31 December 2023.

Resolution 2 – Directors' Remuneration Report

The Company is required to put an ordinary resolution to members approving the report at the meeting at which the Company's report and accounts for that year are laid.

Resolution 3 – Re-appointment of auditors

This resolution concerns the re-appointment of PricewaterhouseCoopers LLP as auditors until the conclusion of the next general meeting at which accounts are laid, that is, the next Annual General Meeting.

Resolution 4 – Auditors' remuneration

This resolution authorises the Directors to fix the auditors' remuneration.

Resolution 5 – Election of Nicholos Hellyer

This resolution concerns the election of Nicholos Hellyer who was appointed to the Board since the last Annual General Meeting.

Resolution 6 – Re-election of John Pearson

This resolution concerns the re-election of John Pearson who is retiring in accordance with article 88.1(d) of the Company's articles of association.

Resolution 7 – Directors' power to allot shares

This resolution grants the Directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £3,394, representing approximately 33.33% of the nominal value of the issued Ordinary Share capital of the Company as at 30 May 2024, being the latest practicable date before publication of this notice. In addition, in accordance with guidelines issued by the Investment Association, this resolution grants the Directors authority to allot further equity securities up to an aggregate nominal value of £6,788.01, representing approximately 66.66% of the nominal value of the issued Ordinary Share capital of the Company as at 30 May 2024 being the latest practicable date before publication of this notice. This additional authority may be only applied to fully pre-emptive issues. The Subscription Shares to be issued as part of the Directors' Subscription (each as defined in the regulatory announcement made by the Company on 2 May 2024) have not been included for the purposes of the nominal value calculations used in this resolution.

Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or the date falling 15 months from the passing of the resolution, whichever is the earlier.

Resolutions 8 and 9 – Directors' power to issue shares for cash

These resolutions authorise the Directors in certain circumstances to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). In relation to Resolution 8, the relevant circumstances are: (i) where the allotment takes place in connection with a fully pre-emptive offer; (ii) the allotment is limited to a maximum nominal amount of £1,018.20, representing approximately 10% of the nominal value of the issued Ordinary Share capital of the Company as at 30 May 2024 being the latest practicable date before publication of this notice; and (iii) up to 20% of any allotment made under (ii) but with such power to be used only for a follow-on offer (a "Follow-On Offer") which the Directors determine to be of a kind contemplated by paragraph 3 of section 2B of the Pre-Emption Group's Statement of Principles 2022.

In relation to Resolution 9, the powers will be limited to allotments of equity securities (i) up to an aggregate nominal amount of £1,018.20 representing approximately 10% of the nominal value of the issued Ordinary Share capital of the Company as at 30 May 2024 being the latest practicable date before publication of this notice and (ii) used only for the purposes of financing (or refinancing, if such refinancing occurs within 12 months of the original transaction) a transaction which the Directors determine to be an acquisition or a specified capital investment of a kind contemplated paragraph 3 of Section 2B of the Pre-Emption Group's Statement of Principles 2022. Resolution 9 includes a further authority of up to 20% of any allotment made under (i) but with such power to be used only for a Follow-on Offer.

The Company may hold any shares it buys back "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Any such sales are required to be made on a pre-emptive, pro rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary Shares on a non-pre-emptive basis, Resolutions 8 and 9 will also give Directors power to sell Ordinary Shares held in treasury on a non-pre-emptive basis, subject always to the limitations noted above.

The Directors consider that the powers proposed to be granted by Resolutions 8 and 9 are necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

EXPLANATORY NOTES TO THE RESOLUTIONS CONTINUED

Resolutions 8 and 9 – Directors' power to issue shares for cash continued

Resolutions 8 and 9 are in line with the Pre-Emption Group's Statement of Principles 2022, the template resolutions published by the Pre-Emption Group in 2022 and the Share Capital Management Guidelines published by the Investment Association (as updated in February 2023).

The Directors also confirm that they intend to follow the shareholder protections and approach to Follow-on Offers as set out in paragraphs 1 and 3, respectively, of Part 2B of the Pre-Emption Group's Statement of Principles 2022. The Subscription Shares to be issued as part of the Directors' Subscription (each as defined in the regulatory announcement made by the Company on 2 May 2024) have not been included for the purposes of the nominal value calculations used in these resolutions.

Unless revoked, varied or extended, the authorities conferred by Resolutions 8 and 9 will expire at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of the resolutions, whichever is the earlier.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent you. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars on 0370 702 0150. They are open between 8.30 a.m.–5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
2. To be valid, the proxy form must be completed and lodged, together with the original power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power or authority, with the Company's registrars, Computershare Investor Services PLC by hand or post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or in accordance with the replied paid details, by 10.00 a.m. on 26 June 2024 (or, if the AGM is adjourned, not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for holding the Annual General Meeting).
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a member attending the Annual General Meeting and voting in person if he/she wishes to do so (although voting in person at the Annual General Meeting will terminate the proxy appointment).
4. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at the close of business on 26 June 2024 (or, if the Annual General Meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
5. As at 30 May 2024 (being the last business day prior to the publication of this notice of meeting) the Company's issued share capital consisted of 1,018,200,894 Ordinary Shares of £0.00001 in the capital of the Company, carrying one vote each and 1,995,936 deferred shares of £0.025 carrying no voting rights. Therefore, the total voting rights in the Company as at 30 May 2024 were 1,018,200,894. The Subscription Shares to be issued as part of the Directors' Subscription (each as defined in the regulatory announcement made by the Company on 2 May 2024) have not been included for the purposes of these figures.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID No. 3RA50) by 10.00 a.m. on 26 June 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

NOTES TO NOTICE OF ANNUAL GENERAL MEETING CONTINUED

8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can either (i) appoint a proxy (described in notes 1 to 3 above) or (ii) appoint one or more corporate representatives, who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
11. A copy of this notice, and other information required by section 311A of the Act, can be found at mirriadplc.com/investor-relations.
12. You may not use any electronic address provided either in the Notice of Annual General Meeting or any related documents (including the Chairman's letter and proxy form) to communicate for any purposes other than those expressly stated.
13. Voting on all resolutions will be conducted by way of a poll. This is a more transparent method of voting as shareholders' votes are counted according to the number of shares registered in their names.
14. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
    (a) Copies of the service contracts of the Executive Directors of the Company.
    (b) Copies of the letters of appointment of the Non-executive Directors of the Company.

COMPANY INFORMATION

DIRECTORS

John Pearson
Chairman

Stephan Beringer
Chief Executive Officer

Nic Hellyer
Chief Financial Officer

Bob Head
Non-executive Director

Nicole McCormack
Non-executive Director

JoAnna Foyle
Non-executive Director

COMPANY REGISTRATION NUMBER

09550311

REGISTERED OFFICE

6th Floor
One London Wall
London
EC2Y 5EB

COMPANY WEBSITE

www.mirriad.com

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
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WC2N 6RH

SOLICITORS

Osborne Clarke LLP
6th Floor
One London Wall
London
EC2Y 5EB

COMPANY SECRETARY

Jamie Allen

NOMINATED ADVISER AND BROKER

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London
EC3A 6AB

FINANCIAL PR

Charlotte Street Partners Limited
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Edinburgh
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REGISTRARS

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

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Both the printer and the paper mill are registered to ISO 14001.

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