MIRRIAD

Mirriad Advertising plc
Annual report 2022

INNOVATION. INTEGRATION.

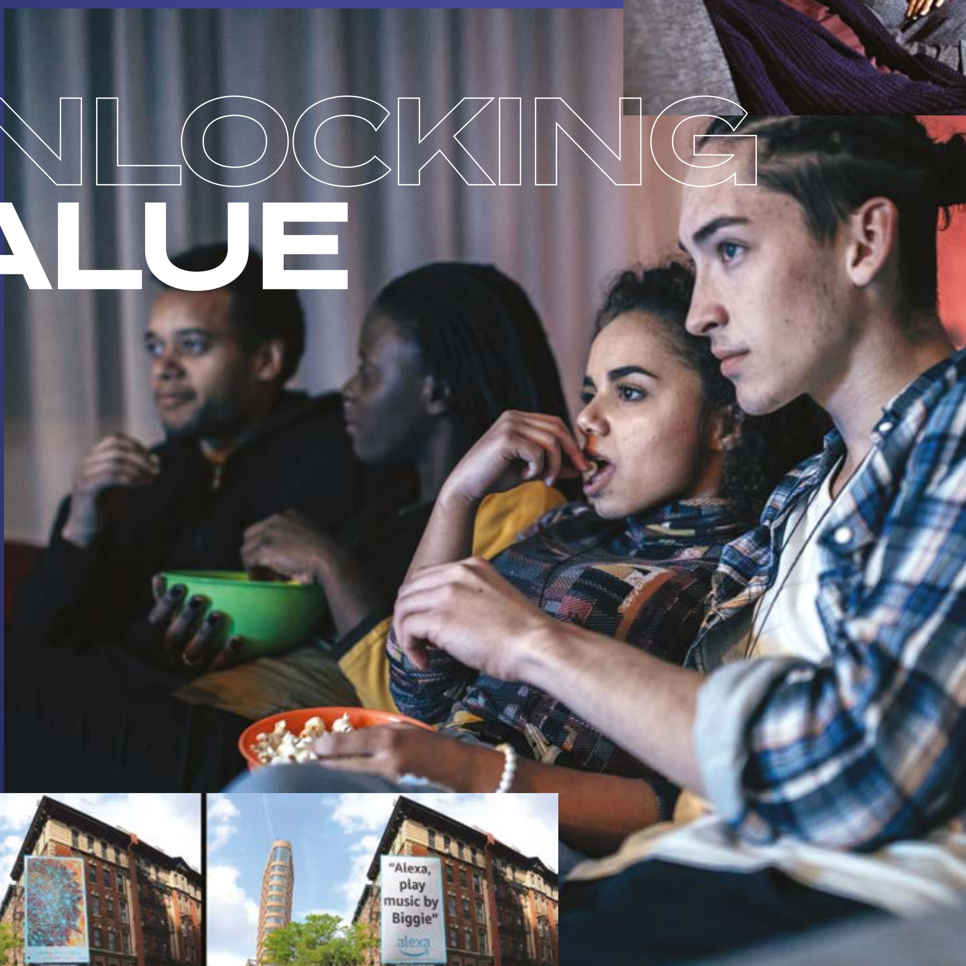
OUR STORY

#1

"We are at the forefront of the industry and extending our lead in the in-content advertising market with an augmented focus and position in North America."

Stephan Beringer
Chief Executive Officer

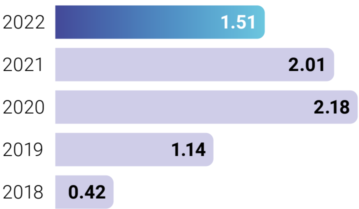
UNLOCKING VALUE



HIGHLIGHTS

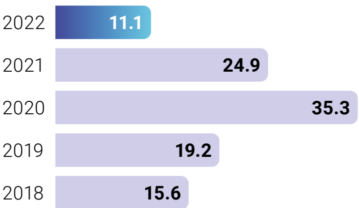
Revenue £m

£1.51m



Net assets £m

£11.1m



Loss per share p

-5p

- Announced Strategic Review of business in January 2023. Successful equity placing of £5.75m, gross, announced on 16 May 2023 based on a new plan for the business involving significant cost reduction and restructuring;
- Continued pivot to the US market. US revenues increased to £1.2 million and now account for 78% of revenue;
- Significant increase in the number of active partnerships the Company has in place;
- Active supply partners increased to 37 from 25 in 2021 and the number of advertisers placing campaigns increased to 59 in 2022 from 45 in 2021;
- Successful end-to-end programmatic advertising trial campaign run in December 2022;
- Awarded "Most Innovative TV Advertising Technology" at the 2022 AdExchanger Awards; and
- Announced intention to wind down operations in China by the end of the Tencent Video contract in March 2023.

CONTENTS

The Strategic Report contained on pages 2 to 37 was approved by the board on 6 June 2023 and signed on its behalf by:

John Pearson
Non-executive Chairman

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 content industry that is easy to integrate, deploy and scale and that will instantly enable new revenues and levels of reach and impact.

37 ↑

Protected by 37 granted patents in the USA, Europe and Asia (2021: 35)

4,359 ↓

Hours of content analysed in 2022 compared to 5,232 in 2021. US and European content analysed increased; China content decreased

22,244 ↑

Seconds of advertising insertions delivered in 2022 compared to 15,394 in 2021

OPPORTUNITY

Mirriad addresses fundamental challenges in the traditional advertising space

ADVERTISERS/AGENCIES (DEMAND PARTNERS)

- Need to engage audiences in relevant ways
- Reach is increasingly difficult to achieve
- Targeting the right customers in a cookie-less world requires new solutions

CONTENT PARTNERS (SUPPLY PARTNERS)

- Need additional revenue streams to cover the increasing cost of content
- Need advertising experiences that do not increase ad loads
- Need solutions that drive great results for advertisers because they are high performing
- Need to engage audiences in relevant ways

VIEWERS

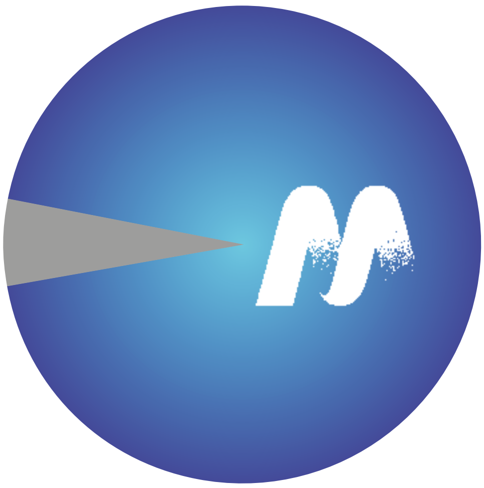
- The average viewer sees 5,000+ ads every day, accelerating ad fatigue and avoidance
- Low attention paid to ads during commercial breaks
- Expect relevant, innovative, non-disruptive ad experiences

SOLUTION

By moving the advertising from the breaks to the content Mirriad opens up content as a source of new inventory

As audiences increasingly shift towards ad-free/ad-light environments and are paying less attention to TV and video ads in general, Mirriad is unlocking new opportunities for brands to secure growth by getting in front of their audience – at scale – directly within the content they love, on the platforms they're watching.

Interruptive advertising



In-content advertising white-space

Average hour of programming is split c85% to content and c15% to advertising breaks

IN-CONTENT ADS

harness the power of context for more relevance, attention and impact without interrupting

>85%

of TV and video viewing time are a new open field for brands to engage with audiences

8+

new advertising opportunities can be added to each hour of entertainment content by Mirriad

LEADING THE WAY

Mirriad delivers measurable benefits to all stakeholders

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

CONTENT PARTNERS (SUPPLY PARTNERS)

New monetisable in-content inventory

In-content opens new revenue streams for content owners by unlocking the vast majority of time that exists outside of traditional advertising breaks. We know the industry needs more quality inventory to engage with audiences, and Mirriad's creative heritage ensures placements appear naturally in the correct contexts.

>85%

of viewing time monetisable without increasing ad load

NET NEW REVENUE FOR CONTENT OWNERS

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.

79%

of viewers like the format of in-content ads*

* Source: Kantar

IN-CONTENT'S VITAL ROLE IN OVERCOMING ADVERTISING MARKET CHALLENGES

John Pearson
Chairman

"To further add to our US-specific senior expertise, we were delighted to add JoAnna Foyle and Nicole McCormack to the Company's Board as non-executive directors."

2022 was another year of rebalancing in international advertising markets as consumers around the world adjusted to record inflationary pressures and the effectiveness of some traditional advertising formats continued to face challenges on multiple fronts. So far in 2023 we have also seen a stronger-than-expected slowdown across the board, during which campaigns are taking longer to book, are being booked closer to air date and advertisers are operating in a more conservative manner.

In Company terms too, there is no doubt the past year has been challenging, but the proactive decision to conduct a formal review of the various strategic options available in Q1 2023 was pivotal in closing a successful fundraise.

Now, the management team is working at pace to refocus the business around the core opportunities that await, following a prolonged period of uncertainty. As the global advertising industry grapples with ad-skipping, dwindling viewer attention and the oversaturation of existing advertising breaks, it is clear that Mirriad's approach provides an essential solution. The wider appreciation of the role in-content advertising can play in overcoming these hurdles is reflected in the likes of Amazon entering the market.

We welcome these developments as a vindication of in-content's potential as a format, but also remain confident in Mirriad's position as the sector leader, with strong patent protection and years of technological progress already achieved.

Despite these fundamentals, the Company's global operating picture was complicated by differing post pandemic trajectories in the territories we operate in. While Covid recovery and opening up continued in most countries, China lagged behind in terms of lifting restrictions, with knock-on impacts on new content production and consumer spending.

Against this backdrop, management made the decision to close its Chinese operations. This has helped to reduce costs and aligns with the continuing pivot towards the US as the market with most upside potential. The US is the world's largest advertising market with an estimated Total Addressable Market ("TAM") of $106 billion and the home of globally leading entertainment companies and advertising technology (or adtech) platforms.

To further add to our US-specific senior expertise, we were delighted to add JoAnna Foyle and Nicole McCormack to the Company's Board as Non-executive Directors. They both bring beneficial supply and demand side sector and geographic experience to the table, and they were joined by Lois Day, who was also appointed to the Board as well as the Audit and Remuneration Committees. I would additionally like to reiterate my thanks to Kelsey Lynn Skinner for her positive work as a Non-executive Director before stepping down for maternity reasons in the summer of last year.

Alongside this strengthening of the Board, the Company has reported progress against the agreed KPIs set out in 2021, with reporting continuing at regular intervals as previously outlined.

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. Since last year its estimated carbon emissions, including travel, have been offset by purchasing carbon credits.

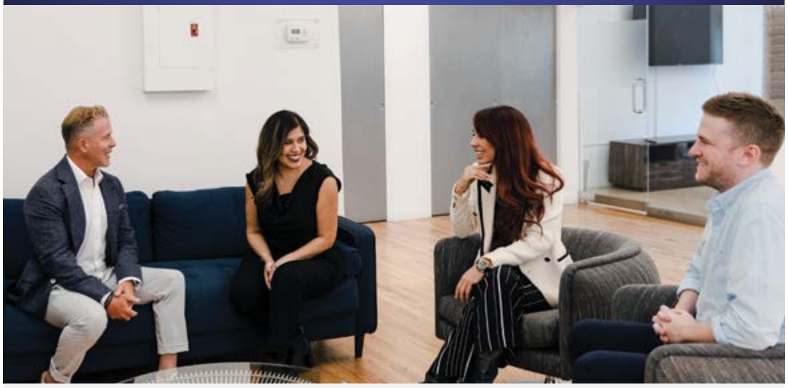
Combined with this, the Company has retained a high employee satisfaction score of 89% for 2022 even as there was an increase in survey participation to 87%. This was an increase of 8% on 2021. Mirriad continues to support a Company-wide volunteering policy to help staff give back to the communities we operate in around the globe. We have advanced our diversity and inclusion activities further with a three part dignity at work course undertaken by a range of managers which included a behavioural profiling element. Mirriad is a wonderfully diverse company and this is demonstrated by the diversity and inclusion statistics set out on pages 35 and 36.

Looking to the year ahead, it would be remiss to underplay the headwinds that continue to buffet the global ad market, however the breadth of the in-content opportunity is now being more clearly understood by key players within the advertising and content industries.

Mirriad's approach solves some of the major challenges faced by advertisers in a time of market pressures, is developed to a point far beyond competitor capabilities due to the number of campaigns already run, and the Company is entering a new chapter as a true innovator in a segment that is finally starting to get the attention it deserves.

John Pearson
Chairman
6 June 2023

OUR PEOPLE AND CULTURE



Mirriad is proud of the depth and talent within its team and the way colleagues have responded to changing workplaces and approaches as a result of the pandemic.

Staff satisfaction

89%

Survey participation

87%

More information
p36

Key points of note include:

- Overall staff satisfaction was 89%, a slight reduction on 2021 (92%). This was based on our highest ever response rate
- We have meaningfully improved Board diversity while maintaining overall Company diversity
- 20 managers undertook a three-part dignity at work course which included a behavioural profiling element
- Mirriad has developed a strong giving back culture with 77% of staff involved in 2022 (2021: 20%)
- 95% of staff are proud to work at Mirriad (2021: 97%)

DELIVERING NEW REVENUE STREAMS

Stephan Beringer
Chief Executive Officer

"Mirriad is delivering a transformative solution that addresses major industry challenges, and the fact that they have not been addressed by conventional approaches in the past year underlines the fundamental strength of our position as the in-content market-leader."

The past 12 months have tested the resilience of the Company, our approach and the wider leadership team, but we are now in a stronger position to address the opportunities ahead.

Successfully establishing a supply and demand side marketplace for a new technology, from the ground up, within an established industry, was never an insignificant aim. Mirriad's pathway to scaled adoption, while reliant on the quality of product, platform and delivery, also depends on the market's readiness for in-content as a potentially vital differentiator in a heavily saturated arena.

I firmly believe that this awareness reached a tipping point in 2022 after two long years of pandemic that kept the priorities of potential partners and buyers in a constant flux. This improved awareness can be seen clearly in the fact that Mirriad worked with 50% of the top 10 global advertisers by spend during 2022, while streaming platforms have opened themselves to advertising and several established parties, including Amazon and NBCU, have now entered or announced plans to enter the in-content space.

We see these new entrants as a vindication of our long-standing confidence in the potential of the format and we have taken decisive steps to ensure the Company can capitalise on this. We know Mirriad provides the best-in-class experience for content owners, distributors and audiences via our patent-protected and rapidly evolving platform, all of which draws on unmatched experience of numerous successfully delivered campaigns.

This journey towards increased awareness of the in-content format – made more complex by a combination of industry and macro factors – has unquestionably taken longer than predicted at the outset of our original strategic plan.

As well as exploring the best options for securing the Company's future via a comprehensive Strategic Review at the start of 2023 and subsequent equity raise, we have used this extended timeframe to put in place essential building blocks – from programmatic integration through to robust supply and demand side pipelines – to ensure Mirriad can fully capitalise on the scale we believe this advertising segment can achieve as the market opens up to the new format.

Throughout these processes, we have not been alone in having to react to advertising market turbulence, but our strength lies in the ability to address the 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;
2. ad clutter and over-exposure are driving ad-fatigue or avoidance; and
3. the industry needs more quality inventory to engage with audiences.

Independent research has consistently highlighted that Mirriad is delivering a transformative solution that addresses all three of these challenges, and the fact that they have not been addressed by conventional approaches in the past year underlines the fundamental strength of our position as the in-content market-leader.

STRATEGIC APPROACH

With revenue falling short of expectations, the Strategic Review process and subsequent equity raise provided the framework for restructuring that will drive further efficiencies across the Company. However, these actions are only one part of a longer-term cost control drive and, at the same time, we are focused on the twin pillars of integrating with the ecosystem and driving adoption, with automation being vital to achieving the second point – in 2022 we made decisive changes to the marketplaces we serve.

The decision to exit China was driven by the ongoing challenges relating to Covid-19 restrictions, and their knock-on effect on consumer confidence and consumption, content production and advertisers' advertising spend. The Company's leadership team explored all options available before coming to the decision and we are confident the decision was the right one, both in terms of reducing costs and allowing even stronger focus on the important US market.

In 2022, US revenues grew by 34% to £1.2 million, accounting for 78% of total revenue, despite a soft fourth quarter due to macro economic uncertainties and unfavourable media investment patterns in many industries. Within this we delivered innovative campaigns and announced new partnerships that unlock even more content, and bring access to ever more diverse audiences in this key market.

This underlines the importance of persisting with the strategic pivot towards the world's largest advertising market and the potential rewards that could await with the scale we are pursuing. To improve annual recurring revenue and increase average campaign sizes, the Company is focusing on a key account strategy for advertisers and has built a strong position in the US. It currently has active engagements with nine of the top 20 US advertisers by spend, and six more in its sales pipeline.

We continue to tightly control costs wherever possible and an already implemented cost control programme, of which the wind-down of our Chinese operation is part, is expected to deliver £2.5 million of total annualised savings, with the vast majority to be achieved in 2023. This will be supplemented by the additional cost saving and restructuring drive that is being implemented post fundraise.

BUSINESS FOCUS, TECHNOLOGICAL PROGRESS AND PERFORMANCE

Overall Company revenue in 2022 fell just short of our targets, albeit we ended the year in a better cash position than forecast. Taking firm steps to restructure the Company underlines our commitment to growing revenue as part of the first adoption phase, and, by extension, improving shareholder value. The positive moves across the KPIs set out by the Board underline the progress being made, despite ongoing market headwinds.

The Company's pipeline is strong, and the whole team is focused on converting the significant opportunities that lie ahead.

The net proceeds of the completed fundraising will be used to further develop the Company's technology to allow for the introduction of programmatic sales and to continue broader commercial development. Specifically, it will allow the Group to develop its business by continuing to invest in its technology and product development strategy, transitioning from a manual advertising placement model purchased on an ad hoc basis, to programmatic buying of in-content advertising at scale.

Leveraging programmatic sales pipelines will be enabled by migrating the Company's platform to an open architecture, which integrates with partner platforms, meaning partners can white label the Company's technology and components.

Technical progress continues at pace, and specifically the Company is now geared for the acceleration of business through its programmatic capabilities.

On the back of the ad server and supply side platform partnerships and integrations announced earlier in 2022, the Company has now delivered in-content advertisements via an end-to-end programmatic transaction and is further expanding integrations, its media tech capabilities and its cloud partnerships.

The Company also enhanced its quality assurance and testing capability by building a number of new test environments and introducing automated testing. We also introduced technology to automate the delivery of mass volume campaigns, a building block for programmatic and the delivery of multi-advertiser and multi-version monetisation of in-content inventory.

Across our key markets, Mirriad is regarded as a leader in the in-content advertising space, which was underlined by the Company winning the 2022 AdExchanger Award for most innovative TV advertising technology.

OUTLOOK

Our decision to raise new finance and restructure the business gives us scope to ensure progress is quickly made in the key areas that will drive growth, like programmatic delivery. We will continue to control costs, while leveraging the high quality partners we have secured to run more campaigns in 2023. This will be the message communicated across the Mirriad team as we drive changes across the business.

The ongoing challenges facing the advertising market are clear, and we are confident in Mirriad's unique ability to address these and deliver an experience that benefits brands, content owners and audiences alike.

I would like to thank the investors who continue to support us on this not always linear journey, and for their frank, constructive and insightful engagement. The team at Mirriad is focused on converting our exciting pipeline to drive the Company forward in 2023 to generate long-term shareholder value.

Last year I said we are leading what has the potential to be a transformative new advertising segment. We now have conclusive proof that significant other players are starting to appreciate its vast potential, and thanks to some tough decisions, we are positioned to reap the rewards of our longstanding commitment to, and leadership of, the in-content approach.

Stephan Beringer
Chief Executive Officer
6 June 2023

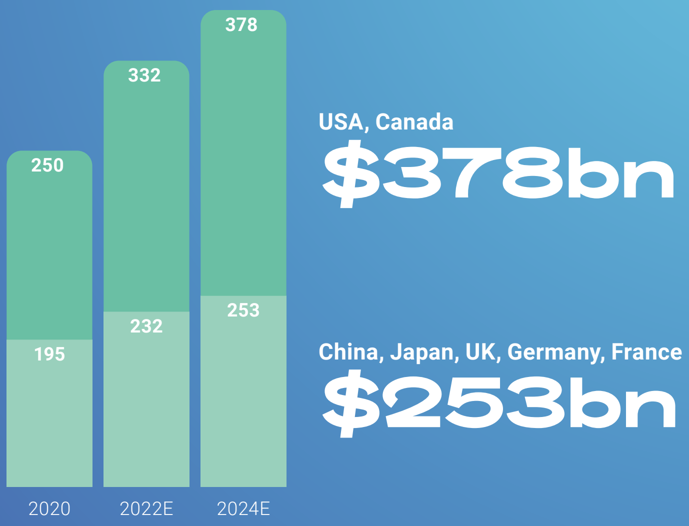
SCALING UP

Mirriad is successfully targeting the key North American advertising market

THE GLOBAL STREAMING MARKET IS LED OUT OF THE US

In a continuing pivot towards the US, Mirriad worked with 50% of the top 10 global advertisers by spend in 2022. At the same time streaming platforms have opened themselves to advertising and several established parties, including Amazon and NBCU, who have now entered or announced plans to enter the in-content space.

TOTAL ADVERTISING SPEND IN USDbn



Source(s): Zenith advertising forecasts Dec 2021; Activate Consulting

“With Mirriad, brands can unlock virtual product placements across our global content network for a truly next-generation advertising opportunity. Amagi’s partnership with the Company provides an incredible opportunity to deliver in-content advertising to the right audience in the right place at the right time and do it at scale.”

Srinivasan KA, Co-founder & Chief Revenue Officer at Amagi

NEW AD SOLUTIONS ARE LIKELY TO BE ADOPTED FASTEST IN THE US

Some advertisers in the US are already spending up to 0.3% of their measured media budgets with Mirriad, suggesting that in an automated future, with supply spanning CTV and streaming, in-content could represent around 3% of the total market by 2026.

OVERALL CONTENT SPEND BY COMPANY

(2025E vs 2020)

Disney

$25bn **+$6bn**

NBC Universal

$19bn **+$4bn**

VIACOM CBS

$17bn **+$6bn**

Netflix

$19bn **+$6bn**

Amazon

$19bn **+$11bn**

Apple

$9bn **+$6bn**

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 115 staff based around the world.

More information
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WHAT WE DO

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
A growing range of content opportunities for advertisers and agencies targeting the 85% of airtime that is typically content rather than the 15% that is typically advertising.

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

WHAT WE DELIVER

Supply partners
New inventory and revenue streams from existing inventory tapping into the majority of viewing time in the programme, not the conventional advertising.

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.

61
Supply partners whose content we can take to market

78
Agencies and brands used our services in 2022

25%
Increase in advertising awareness
(Source: Kantar across 15 studies)

x6
Viewer preference over traditional advertising
(Source: Kantar)

95%
Of staff proud to work at Mirriad
(Source: Mirriad annual staff survey, Dec 2022)

$106bn
Addressable market
(Source: Zenith advertising forecasts, Dec 2021)

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.

By way of recap, 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, Panmure Gordon.

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 fairly low impact on the environment and is starting to engage with communities in its key operating markets. More detail on these particular areas is set out on pages 28 to 37 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
- Understood concern around future revenue guidance
- Strategic Review undertaken in Q1 2023. Ultimately the Directors considered a new equity raise via a placing, raising £5.75m gross, and an open offer was in the best long term interest of shareholders

EMPLOYEES

Why we engage

- To create a Company culture based on shared values
- To motivate and fairly reward the team
- 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 and generally more frequent) where staff are invited to submit questions in advance and these can be anonymous
- Annual staff survey
- Annual diversity and inclusion 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 95% 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 gain new customers and add to available content supply
- To nurture relationships and establish a partnership approach with content suppliers
- To gain insight to issues impacting content suppliers and distributors and understand how the Company can address them
- To help develop the Company's Technology Roadmap and ensure it is responsive to supply partners' needs
- To grow and develop the overall business

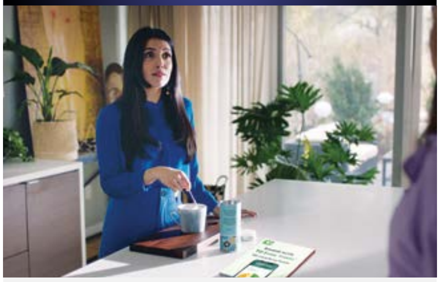
How we engage

- 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
- Increasing 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 understand 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

Increase market adoption and enhance our position with supply partners (content owners and distributors) and demand partners (advertisers and agencies), particularly in the US to drive future revenue and secure repeat business.

What we achieved

- Continued increase in active supply partners: 37 during 2022 (2021: 25)
- Increased the number of supply partners we can represent to 61 at the end of 2022 (2021: 46)
- Increased the number of advertisers who have run campaigns: 59 during 2022 (2021: 45)
- Maintained the number of active agency partners: 19 during 2022

Priorities for 2023

- 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
- Expand supply partners in key markets and increase partner-driven revenue with deeper integrations and end-to-end programmatic deals

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

- Signed programmatic delivery partnerships with Magnite, Springserve and Amagi
- Delivered live server-side advertising campaign for leading F&B brand
- Executed full end-to-end programmatic POC for in-content ads
- Aligned to the IAB standards of reporting viability in video
- Aligned naming of brand definitions to the Nielsen industry standard

Priorities for 2023

- Establish multiple partnerships across internationally operating platforms leveraging agnostic market positions for multiple integration models and ensure we deliver programmatic capability
- Develop measurement and format standards with industry stakeholders in key markets

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

- Introduced technology to facilitate mass versioning of creative assets
- Built third-party connectors
- Created a first version of a tool allowing campaigns to be built
- Created business intelligence dashboards
- Executed full end-to-end programmatic POC for in-content ads

Priorities for 2023

- Initiate programmatic with cloud migration, partner integrations and tool developments

Link to risks
1 2 3 4 5 8 9

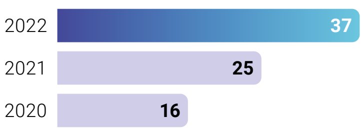
Our key performance indicators are aligned to our strategy and focus on the adoption and integration elements

Our adoption KPIs are split between the supply and demand side and act as leading indicators of future sales potential.

SUPPLY SIDE

Active supply partnerships

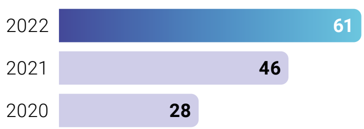
37



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

Supply partners represented

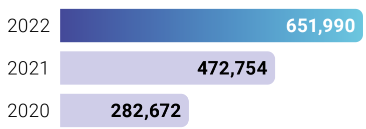
61



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

Seconds of content available

651,990



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

DEMAND SIDE

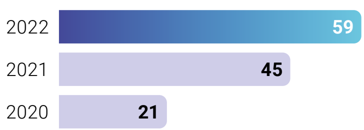
Active agency relationships

19

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

Number of advertisers who have run campaigns

59



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

Strategic and commercial partnership agreements with advertisers and agencies

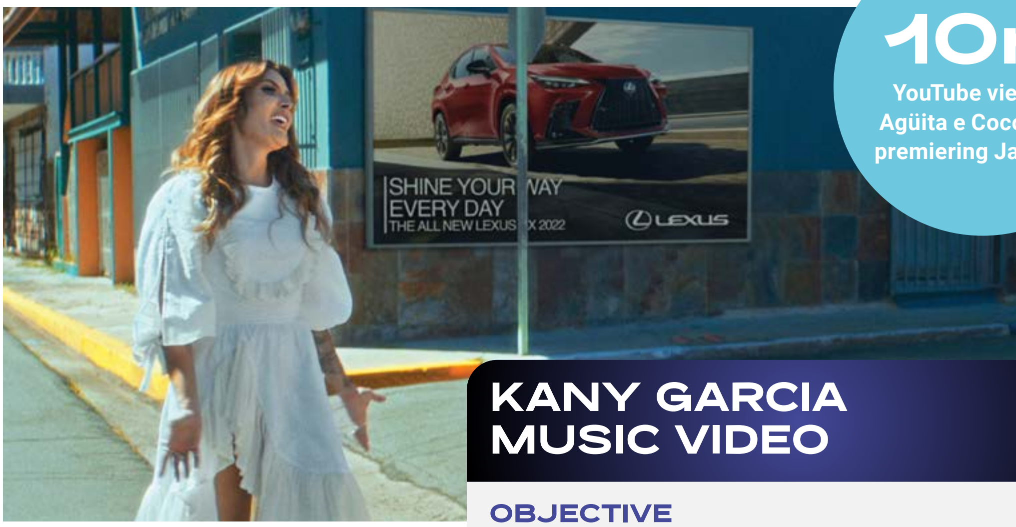
3

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. Reputational risk
7. Foreign exchange risk
8. Centralised production risk
9. IP risk
10. Macro economic risk

INDUSTRY LEADING RESULTS



10m
YouTube views of Agüita e Coco since premiering Jan 2022

KANY GARCIA MUSIC VIDEO

OBJECTIVE

Elevate awareness, recall and purchase intent for Lexus NX among LGBTQ+ consumers.

SOLUTION

Mirriad injected Lexus into the cultural conversation by virtually integrating signage into a newly released video by Kany Garcia.

LEXUS

SONY MUSIC

Ad awareness (LGBTQ+ & Allies)
+33ppt

Brand awareness (LGBTQ+ & Allies)
+18ppt

Consideration (LGBTQ+ & Allies)
+8ppt

Source(s): Kantar Q1 2022 / All respondents / LGBTQ+ Allies: Those who strongly agree people of diverse sexual orientations were featured in a positive way in the ad

NISSAN AND HALLMARK

OBJECTIVE

Bring new customers into the brand by building an emotional relationship with them.

RESULTS

+15ppt

increased brand awareness after Mirriad activation

OBJECTIVE

Carve out a unique space to become a household name in the EV category.

RESULTS

+42ppt

increased ad awareness among EV Intenders

Source(s): Kantar / 1Q'22 Electrification Campaign Ad Effectiveness Results

GATHERING US MOMENTUM

David Dorans
Chief Financial Officer

Revenue
£1.5m
-25%

Cash consumption
£12.9m
+24%

Active Supply partners
37
+48%

INTRODUCTION

2022 saw a significant change in our revenue base as we continued to develop our US business and reported a meaningful increase in campaign activity in that market. Overall Company revenues declined year on year as continued Covid-19 restrictions in China led to a sudden and unexpected contraction in revenues in that market. This had not been anticipated at the end of 2021 when we developed our 2022 plans. Our planning assumption had been that China would open up in line with our other markets and that we would see a similar revenue performance as in 2021. As it became clear that this was not going to be the case we reviewed our business in China. We came to the conclusion that the business was not sustainable and that the best course of action was a managed withdrawal from the market with a complete closure at the end of March 2023 at the end of the Tencent Video contract. We reduced our headcount in China by half during September 2022 and have completed the closure of the office at the end of Q1 2023.

As it was clear that overall revenue would not grow in the way that we had expected we also took steps to review other areas of our cost base which resulted in some changes in our technology team in September 2022 and a restructuring of our European commercial team in December 2022. The total cost recognised in 2022 was £550k.

During the year we continued to focus investment in our US operations as the market with the highest opportunity. We also continued to invest in our technology team, reorientating spend in line with our objectives of driving integration and automation.

CURRENT YEAR RESULTS

Revenue for the year was lower than the prior year at £1.51 million (2021: £2.0 million) reflecting, particularly, the impact of Covid-19 on our Chinese business and a significant year-on-year reduction in revenues as a result of the sustained Covid-19 lockdowns in place in China.

During the year revenues from the US expanded to £1,181k (2021: £884k) and now represent 78% of revenues up from 44% in 2021. We continued to broaden the range of supply partners during the year.

European revenues increased during the year with work for Aldi on RTL in Germany and a second campaign on Channel 4 for Pinterest in the UK. Overall European revenues increased by 24% to £178k (2021: £144k).

We announced our first test campaigns in Japan for Fuji TV and Gaie and are continuing to work on plans to develop this market with local partners.

The Company remains focused on expanding its business in the US and EMEA in order to grow revenue and move the business to a more sustainable footing.

“During the year revenues from the US expanded and now represent 78% of revenues up from 44% in 2021.”

There was a small reduction in our cost of sales. A number of long tenured staff in our Indian operation resigned and as a result we decided to introduce a new staffing strategy bringing in a number of trainee staff on one-year fixed term contracts with a view to training them to use Mirriad technology and workflow. As a result headcount increased but overall staff cost declined to £286k (2021: £294k). The combination of reduced revenue was partially mitigated by reduced staff cost and overall there was a reduction in gross profit to £1.2 million (2021 £1.7 million). As noted in previous years the vast majority of our cost of sales relates to our staff based in Mumbai. The staff element of this work is largely fixed at current volumes which means that margin is impacted by the throughput of work and has the potential to improve significantly as these volumes increase.

The Group’s principal operating cost remains staff with the majority of cost focused on our technology and US teams. Underlying headcount decreased year on year as we scaled back in China and made some changes in our European commercial team. Year-end headcount was 115 compared to 130 at the end of 2021. The 2022 closing figure comprises 105 employees and 10 long-term contractors engaged by the UK business and mainly based offshore. Over the course of 2022, administrative expenses increased to £16.9 million (2021: £13.9 million). The team in the US increased from 12 to 15 staff. Overall our technology team ended the year with a similar headcount to the previous year, 46 (2021: 47), albeit that the average number employed and the cost of staff increased year on year as we refocused the team to align with strategic priorities.

During the year the Company incurred restructuring costs as we partially closed the operations in China, with a full withdrawal at the end of Q1 2023, reoriented our technology team in line with development priorities and restructured our EMEA commercial and operational teams. As a result the profit and loss account includes a charge of £550k relating to the closure and restructuring costs. Of these £352k were included in the cash flow for 2022 and the remaining £198k will impact cash flow during 2023.

Mirriad has continued to review and monitor the application of IAS 38 with respect to the capitalisation of development cost. We continue to take the view that due to the uncertainty of future revenue generation we will not capitalise any development cost in 2022 even though technology remains key to the Company’s business and internally generated software and IP remain a key focus for future development of the business. Accordingly, the income statement includes £4.0 million (2021: £3.4 million) of staff costs related to research and development (“R&D”) activity, an increase of 17% year on year.

The increase in operating costs and reduction in gross margin fed through to EBITDA with the EBITDA loss increasing to £15.2 million (2021: £11.6 million). Likewise, the loss before tax increased to £15.6 million (2021: £12.0 million).

TAX

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 increased as a result of the increased loss for the period on an unchanged share capital. The loss per share for 2022 was 5p per share (2021: loss of 4p per share).

FINANCIAL REVIEW CONTINUED

DIVIDEND

No dividend has been proposed for the year ended 31 December 2022 (2021: £nil).

CASH FLOW

Net cash used in operating activities was £12.9 million (2021: £10.4 million) as the increase in operating costs flowed through to cash.

The Group incurred £76k (2021: £159k) of capital expenditure on tangible assets in the year.

No shares were issued during the year so there were no net proceeds from the issue of shares (2021: £44k).

BALANCE SHEET

Net assets decreased to £11.1 million (2021: £24.9 million) as a result of the losses for the year. Cash and cash equivalents at 31 December 2022 were £11.3 million (2021: £24.5 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 70 to 76.

GOING CONCERN

The financial statements have been prepared on a going concern basis notwithstanding the Group having made a loss for the year of £15.10 million (2021: £10.97 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 signing these financial statements.

The Group's cash balance was £11.3 million at the year end and the Group remains debt free with no external borrowing.

The Group further announced that its cash balance was £7.52m as at 31 March 2023.

The Company announced a successful placing that raised £5.75 million, before fees, £5.2 million after fees, on 16 May 2023. The Company said at that time that it anticipated that this funding would provide sufficient working capital for the Company to continue to trade until the end of June 2024 based on base case forecasts which assume both revenue growth and cost savings being achieved within that period. 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 the next 12 months from the date of signing these financial statements. The Group and Company's base case forecast suggests that the Group will require additional external funding in July 2024 to be able to continue as a going concern. However in a severe, but plausible, downside scenario, if either the revenue growth forecasts or cost saving initiatives fall below expectation, additional funding may be required within 12 months of signing 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 signing 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 16 May 2023 the Company announced a successful placing that raised £5.75 million, before fees, £5.2 million after fees, together with an Open Offer which may bring in additional funds. 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.

David Dorans
Chief Financial Officer
6 June 2023

MANAGING RISK

RISK MANAGEMENT PROCESS

The Company continues to use its formal risk management process. Risk assessments are completed quarterly across the business with two light touch and two deeper dive reviews undertaken each year. 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

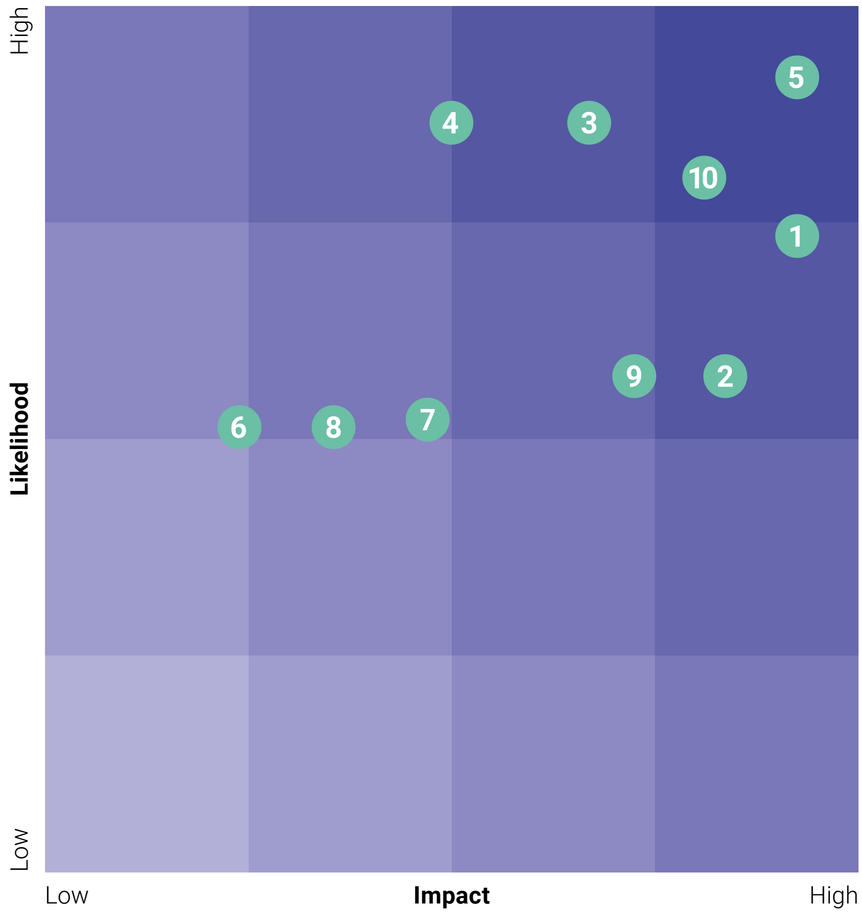
RISK APPETITE

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 break through with product – 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
6. Reputational risk – concern that advertising embedded in content can be seen as subliminal and require further regulation
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. Macro economic risk – uncertainty caused by the war in Ukraine, spiking inflation, rising interest rates, slow down in growth and risk of recession

1

FAILURE TO BREAK THROUGH WITH PRODUCT/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 continued to invest in its sales force in the key US market and balanced resource in other regions.

Change

Increased 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 continues to increase the number of active supply partners and extend the network of suppliers whose content the Company is able to market.

Change

No change

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.

Change

Increased risk

4

COMPETITOR RISK

Link to strategy

A B C

Risk description

The Company is seeing an increase in the number of competitors in its core markets which 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

Increased risk

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

Revenue has not increased as fast as the Company assumed and the Company needs to raise additional capital to continue to trade.

Mitigation

The Company announced a Strategic Review to consider all options for maintaining shareholder value. The Company announced a successful Placing raising £5.75m, gross, on 16 May 2023 together with an Open Offer which could raise additional funds.

Change

Increased risk

6

REPUTATIONAL RISK – CONCERN THAT ADVERTISING EMBEDDED IN CONTENT MAY BE FURTHER REGULATED

Link to strategy

A B C

Risk description

Given concerns over data privacy and the impact of advertising, there is a risk of further regulation affecting the Company's product which may either be direct or indirect.

Mitigation

It is essential to educate the market about the use and impact of the Mirriad product and why it is not "subliminal" advertising and poses no particular data risk to consumers. The Company will also continue to provide evidence of customer acceptance of this form of advertising.

Change

Reduced risk

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. With withdrawal from China and continuing pivot to the US the mix of exposure is changing. 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's actively monitors the market to scan for potential IP infringements.

Change

Increased risk

10

MACRO ECONOMIC RISK

Link to strategy

A B C

Risk description

Uncertainty caused by macro economic factors including instability following the war in Ukraine, spiking inflation, rising interest rates and consequent slow down in growth and risk of recession in the Company's core markets.

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

New risk for 2022

Key to strategy links

A Adoption B Integration C Automation

REALISING POSITIVE CHANGE

The Company published a comprehensive ESG framework in November 2020 and has continued to expand and extend its activities in this area. That 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 2022, the key accomplishments in this area were Carbon Accounting and Offsetting (Environmental), the emphasis on giving back initiatives (Social) and significant progress in improving 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 2022. Further information on some of these areas can be found on pages 30 to 37 of this report.

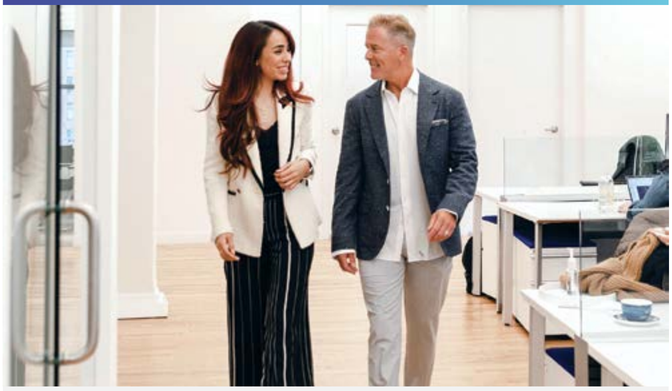
ENVIRONMENTAL

2022 initiatives
- Refine carbon accounting and offsetting

Outcomes
- The Company upgraded to a paid for carbon footprint calculator supplied by Carbon Footprint Limited
- The calculator allowed a more accurate estimate of the Company's carbon footprint at 185 tonnes of CO_2 (2021: 493 tonnes)
- This was a significant reduction on the previous estimate partly due to the reduction in air travel
- 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, China and the US
- As no offset projects were available in the UK the Company funded the planting of one tree for each employee

2023 plans
- Further activity paused as part of the Company's restructuring plans

SOCIAL



2022 initiatives

- Focus on values and encouraged behaviours for employees
- Encourage further take up of giving back initiatives among staff, targeting employee engagement increase of at least 15% from 20% to 35%
- Proactive process undertaken to improve Board diversity

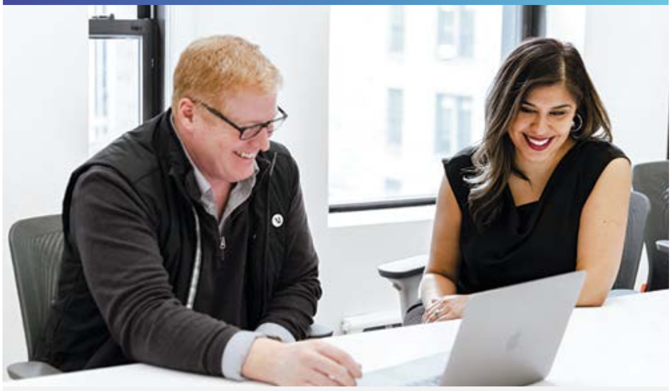
Outcomes

- A range of managers attended a three part training course focusing on dignity at work which included a behavioural modelling element
- 77% of staff participated in a giving back initiative exceeding the target by 42%
- Mandatory online Equality & Diversity training required for all staff
- Board diversity significantly improved

2023 plans

- Consider further opportunities to embed our values into HR and recruitment processes
- Continue development of diversity and inclusion programmes
- Continue promotion of giving back initiatives across the business and encourage continued high take up

GOVERNANCE



2022 initiatives

- ESG included as a standing item at Board meetings and Company Townhall meetings (as required)
- Part of Executive Directors' short-term incentive was ESG related
- Proactive process undertaken to improve Board diversity

Outcomes

- ESG added as needed to main Board meeting agendas
- CEO engaged as mentor for the Prince's Trust; CFO led carbon footprint monitoring process
- Board diversity significantly improved

2023 plans

- Monitor developments in the corporate ESG environment and reflect on further areas for development
- Maintain ESG focus at main Board meetings and Company Town Hall meetings

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 • Online training modules covering Positive Mental Health and Mindfulness are available for all staff members • Company Vaccination policy remains in place
5 GENDER EQUALITY	• We continue to review 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 taken further steps to measure and offset our carbon footprint • We used a paid for calculator to calculate a more accurate carbon footprint and have offset our emissions for 2022 • We continue to actively review air travel to ensure only necessary journeys are taken
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 2022 we have continued to deepen and widen our engagement with ESG matters.

HELPING THE ENVIRONMENT VIA CARBON OFFSETTING

During 2022 we built on our earlier work to measure and offset our carbon footprint by purchasing a more detailed carbon footprint calculator from Carbon Footprint Limited. We have detailed data records of all flights taken by Company staff and requested staff to provide information on their commuting patterns and modes of transport to allow us to estimate emissions caused by home to office travel.

Now that we have more stable travel patterns following the ending of most Covid-19 travel restrictions we calculated Mirriad's carbon footprint at 185 tonnes of CO_2.

As in 2021 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 into the regions where Mirriad primarily operates albeit that there were no offset schemes available for the UK so we looked at projects in the US, India and China. Under this plan we have:

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

ENERGY EFFICIENT COOK STOVE IMPLEMENTATION

Country: India

Type: Efficient Household Cookstoves 43 tonnes CO_2 offset

The project involves providing improved cooking stoves ("ICS") to socially deprived communities in India.
The project provides households with clean cooking solutions; by replacing the less efficient traditional stoves from the kitchen with more efficient stoves.

Replacement of the traditional less efficient cooking stoves with the new more efficient ones will reduce the exposure of the family members, specifically women, to the indoor air pollution and therefore result in saving of health related expenses.

The project is expected to save over 350,000 tCO_2e during the 10-year crediting period (2019 to 2029). Each cookstove will reduce emissions by approximately 1.46 tonnes of CO_2e per year.

199.70 MW WIND PROJECT IN MAHARASHTRA BY BWDPL

Country: India

Type: Renewable Energy – Wind Power
43 tonnes CO_2 offset

The main purpose of this project is to generate clean electricity through renewable wind energy source. The Project has 40 Wind Turbines of individual capacity 2 MW each and 57 Wind Turbines of individual capacity 2.1 MW each in Maharashtra state of India. The total project capacity is 199.7 MW.

The Project is a new facility and it plans to utilise wind energy to generate electricity and supply it to distribution licences which is a part of the NEWNE (Northern, Eastern, Western and North-Eastern) grid of India.

The Project activity is expected to supply 372.791 GWh of energy to the NEWNE Grid of India each year. This is expected to result in emission reductions of 364,217 tCO_2e per year of operation.

CECIC HKE ZHANGBEI LVNAOBAO WIND POWER PROJECT

Country: China

Type: Wind Power
7 tonnes CO_2 offset

This project is located in the Zhangbei County, northwest region of Hebei Province, China, and consists of 67 Wind Turbines each with a capacity of 1,500 kW. The total installed capacity of the Project is 100.5 MW, and the estimated electricity delivered to the project electricity system, i.e. North China Power Grid, is 241.70G Wh annually.

The electricity grid in this region of China is predominantly fed from fossil fuel fired power plants, especially coal fired plants, so by replacing equal amount of electricity which is originally generated by the fossil fuel fired power plants within the grid system, the Project with almost zero emission would reduce greenhouse gas emission accrued from the saved fossil fuel combustion. The project is expected to reduce emissions by about 254,960 tCO_2 annually.

GROUPED CONNECT SOLAR PV POWER GENERATION PROJECT IN CHINA

Country: China

Type: Solar Power
7 tonnes CO_2 offset

The grouped project consists of new solar PV Power Generation plants located in 30 provinces of China.

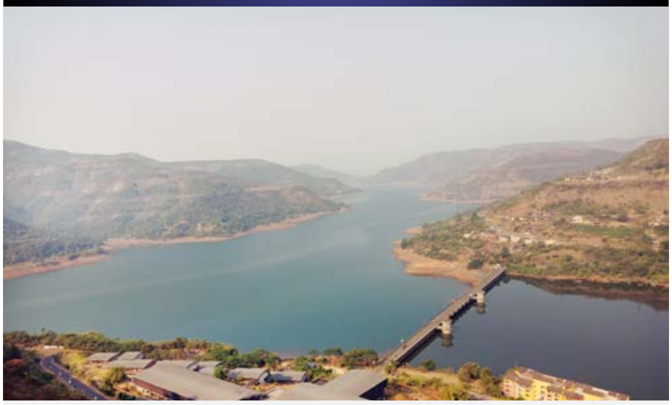
GHG emission reductions will be generated through the implementation of the grouped project, which aims to generate electricity by using renewable solar PV energy to the grid and replacing equivalent electricity generated by fossil fuel fired power plants connected to the State Grid or China Southern Power Grid.

Prior to the grouped project implementation, equivalent amount of annual power output to the grouped project will be generated and supplied by the State Grid or China Southern Power Grid. This is also the baseline scenario of the grouped project.

The estimated annual average GHG emission reductions from the initial seven project activity instances is 302,268 tCO_2e .

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
13 CLIMATE ACTION

SONAWADE SMALL HYDRO POWER PROJECT



Country: India

Type: Small Hydro Power
42 tonnes CO_2 offset

Mahati Hydro Power Projects Private Limited ("MHPPPL"), has built a small hydro power project of 4.0 MW (2 x 2 MW) capacity near villages Sonawade & Chandoli in Sangli District of Maharashtra, India.

The water from the reservoir is released through the Warna left bank canal outlet into the escape channel which meets the river downstream. There is a substantial level difference between the escape channel and that of Warna river, which is being utilised for power generation by diverting the irrigation releases to the surface power house. The water conductor system consists of an approach channel up to intake well and then penstock. Intake gates and trash racks are provided at suitable locations. The discharge from power house is led to the existing escape channel into the Warna river through the Tail Race Channel.

The project has been constructed in the existing water bodies, so no water reservoir has been created for the project and thus the project does not have any negative environmental impacts.

In the absence of the project activity, the equivalent power generation would have taken place from the fossil fuel heavy NEWNE Region Gird. The project is expected to save around 17,000 tCO_2e per year.

7 AFFORDABLE AND CLEAN ENERGY
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13 CLIMATE ACTION

SUSTAINABILITY AND ESG CONTINUED

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN CAMPUS WIDE CLEAN ENERGY & ENERGY EFFICIENCY

Country: USA

Type: Solar Power
43 tonnes CO_2 offset

The University of Illinois, Urbana-Champaign Campus Wide Clean Energy & Energy Efficiency is an energy efficiency project registered with the Verified Carbon Standard ("VCS") programme.. The university remodeled its high energy-use buildings to reduce energy, cut on-site coal use and gas cogeneration facilities, and implemented lighting retrofits.

The UIUC's energy efficiency campus activities also include:

- Behaviour change campaigns
- On-site renewables

UK TREE PLANTING

In addition, since no offset project was available in the UK the Company funded Carbon Footprint Limited to plant 70 trees in the UK (trees can only be purchased in multiples of ten) to cover one for each Mirriad UK staff member.

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

SOCIAL IMPACT: PEOPLE AND CULTURE

Although 2022 saw most territories reduce their Covid-19 measures our team in China had to cope with continued strict anti-Covid measures. This meant that we had to be sensitive as an organisation to the differing measures in place in each of our operating territories.

We maintained a high level of Company-wide Town Hall meetings averaging two per month across 2022. This allowed the Company to maintain the relationships forged over the last several years.

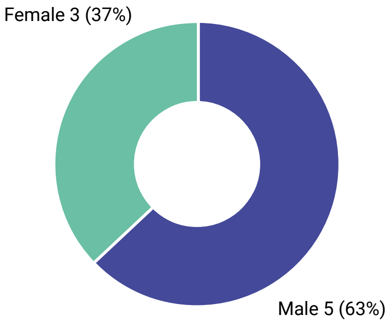
We have continued to review hybrid working models on a territory by territory basis and are reviewing the benefits and disadvantages of different working patterns so that we can adapt as we learn. In general our Indian staff are now fully office based while our staff in the UK and the US are working to a variety of hybrid patterns.

During 2022 we continued to talk to our staff about diversity and inclusion ("D&I") issues and invited staff to share sensitive personal information on a voluntary basis to allow the Company to start to monitor and report this on a more formal basis. We also sent our teams a specific D&I survey in Q4 2022 and are reporting some of the statistics from that survey in this Annual Report. Building on previous training the Company's top 20 managers attended a three-part dignity at work training course which included a behavioural modelling element. This behavioural modelling allowed our managers to understand their own personal styles and how to best interact as a team and with their own teams. We have also continued to require all our staff to undertake a mandatory online training module addressing Equality & Diversity. We remain committed to creating a single progressive and cohesive 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.

DIVERSITY AT MIRRIAD

Mirriad is an incredibly diverse organisation. At the end of 2022 we engaged with staff to understand more about our team based on the nine protected characteristics of the 2010 UK Equality Act. Most of this data is self-reported as we do not routinely hold the data in our HR systems although we are considering whether there is a case for adding additional data systemically and we are also asking candidates who apply for roles to provide additional data on a voluntary basis.

Board



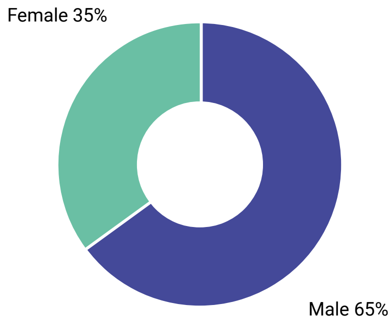
The Mirriad team

115

people

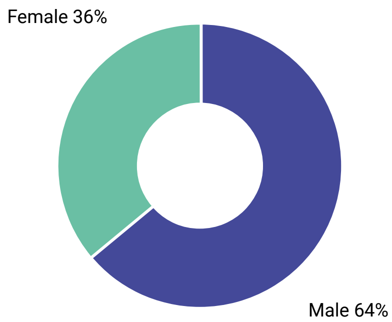
In line with many other organisations the Company experienced a significant increase in staff turnover in 2022 principally from its teams in the UK and India. This comes after several years of unusually low staff turnover particularly in our Indian team. Turnover for 2022 was 23% compared to an average of around 15% (XpertHR) in the UK and just over 20% (AON plc) in India. Despite this increase in turnover we are pleased to report that we have held our female participation level at approximately the same level as in 2021: 35% versus 36% in 2021. As previously noted this should be viewed in the context of a substantial complement of Indian staff where the female participation rate in formal employment is very low at 19.2% (World Bank/ILO data 2022). Given that 35% of our team is based in Mumbai this is a substantial achievement.

Whole team



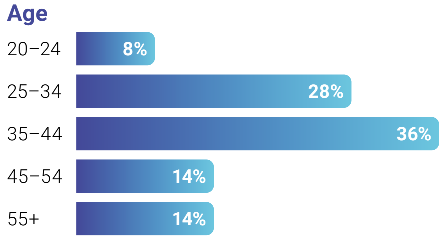
Female representation at manager level remains marginally higher than in the team as a whole and is broadly static between 2021 and 2022. We are continuing to review our organisational structure and look for opportunities to maintain and expand gender balance at manager level.

Manager



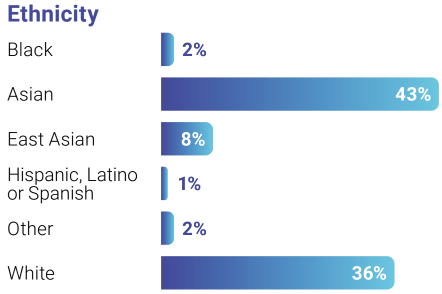
The business continues to have a relatively balanced age profile:

Age



Across the business we are proud to have a very wide balance of ethnicities reflecting our different operating bases (note this is self reported data and is not a complete data set) with over half of our staff self identifying as persons of colour:

Ethnicity



ENGAGING WITH OUR TEAM

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

- We continue to hold Town Hall meetings for the whole team 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 conduct a staff survey annually; and
- We conducted a D&I survey in Q4 2022.

We ran our annual survey in December 2022 and we were delighted that we saw a significant increase in staff participation to 87% up 8% on 2021. We had a 100% response rate from our Indian and US teams. Once again the survey results were extremely positive with results to all 14 statements sitting in a narrow band with between 95% and 81% of staff agreeing or strongly agreeing with the statements. The figures reflect a slight flattening of results in line with the increased participation.

The main findings were that:

- Overall satisfaction was 89%, a small decrease (-3%) on 2021
- Three of the top four statements with the highest levels of satisfaction were the same as 2021; the fourth is new:
  - I am happy with the relationship between myself and my manager (95% agreeing or strongly agreeing)
  - I am proud to work at Mirriad (95% agreeing or strongly agreeing)
  - I am inspired and motivated by my manager (94% agreeing or strongly agreeing)
  - I know what I need to do to be successful in my role (94% agreeing or strongly agreeing)
- Of the four statements with the lowest levels of satisfaction there was more change compared with 2021. The two lowest statements stayed the same and there were two new ones:
  - The mission, vision and values of the organisation are clearly defined and fulfilment of my job counts towards achieving them (81% agreeing or strongly agreeing)
  - My performance is measured against outcome and metrics that are clearly explained (83% agreeing or strongly agreeing)
  - My manager shows a genuine interest in my career aspirations (84% agreeing or strongly agreeing)
  - I regularly receive constructive feedback about my performance in role (85% agreeing or strongly agreeing)

We are delighted that our staff satisfaction levels have remained consistently high but this does not mean that we are complacent. Since the last survey we have worked to communicate the Company's mission, vision and values and have updated our performance management process to put more emphasis on Company values. We are exploring the potential to introduce career path and succession management elements in our HR system although career development will necessarily be limited in a company of Mirriad's scale. We have also redesigned our annual review online template and included the ability for managers to request feedback from other staff in the business on their appraisees to make feedback more insightful.

SOCIAL IMPACT AND GIVING BACK

At the end of 2021 our team set up a staff ESG committee to promote our giving back agenda and environmental awareness thereby contributing to the Company's overall ESG agenda. During 2022 the committee continued to promote initiatives to encourage Mirriad employees worldwide to give back to their local communities and to promote sustainability as part of the Company's ESG commitment.

The committee members identified initiatives and volunteered to lead one or more of these working with champions in each of the Mirriad offices to encourage participation.

Many activities were successfully completed including:

- In the UK, a Graduate Mentor Programme, which provided support to five graduates from underprivileged backgrounds. This included advice and assistance in their job search, help with improving their CVs and LinkedIn profile and interview coaching;
- Also in the UK, the committee organised a day spent volunteering for the Bankside Open Spaces Trust, where employees cleaned up a park close to the Mirriad London office;
- In addition, the committee encouraged employees across the world to reduce their meat consumption and adopt a vegan diet for at least one day per week and the whole of January;
- Many staff members also took part in personal challenges to change their behaviours for the sake of the planet. These challenges, which included following a vegetarian diet, drinking tap water instead of bottled, and walking or cycling instead of using a car. This initiative was especially popular with the team in Mumbai with 20 taking part in one of more of the challenges;
- The committee also supported various good causes, such as Oxford Climate Change, Help for Ukraine, and Princess Alice Hospice. The London office held a cake sale with donations to the Against Malaria Foundation which provides mosquito nets to those in need;
- The Mumbai office ran a drive to encourage blood donations;
- The Mumbai office organised collections and donations of food and other items for two orphanages near the office. This included distributing blankets to 250 children and in total support was provided for 370 orphans; and
- In light of the cost of living crisis affecting many families in our local communities, the committee decided not to hold the usual Secret Santa gift exchange during the Christmas period. Instead, employees were encouraged to donate items or funds to the Trussell Trust, which operates food banks across the UK.

The committee also promoted the Mirriad Volunteering Policy, which grants up to two days of paid leave per annum for volunteering activities and nine staff members took advantage of this benefit during the year.

Mumbai blood donation drive

London office cake sale for malaria

Mumbai orphanage donation.

London office volunteer at Bankside

Thanks to these initiatives, the total recorded participation in giving back initiatives across Mirriad globally reached 77% of all staff, significantly exceeding the target of 35%.

Information on how we have addressed governance areas is covered in more detail in the section covering the Company's Governance Framework on pages 38 to 46 of this Annual Report.

CHAIRMAN'S INTRODUCTION

On behalf of the Board, I am pleased to present our Corporate governance statement for the year ended 31 December 2022.

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. I am pleased to report that the Company continues to work on its ESG agenda following the publication of the Company's ESG Framework in November 2020. More detail on the Company's work in the environmental and social areas is covered in the Strategic Report set out on pages 30 to 37 of this Annual Report.

I am delighted to also welcome three new members to our Board, JoAnna Foyle, Lois Day and Nicole McCormack. Each of them brings unique skills to the role and each has made a significant contribution to the Board and its work since they joined.

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

As I have noted in previous years the Company has worked hard to ensure that it has built 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. Given the exceptionally high levels of satisfaction shown in previous staff surveys 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.

I am also pleased that the Company has continued to develop its work in the areas of diversity and inclusion. Mirriad is a wonderfully diverse company and we have also provided details on just how diverse our Company is in the Strategic Report.

We have stated before that all of the Directors consider it essential that stakeholders continue to trust the way the Group operates and that we maintain a 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 also allows the Company to monitor completion of that training across the Group and address any areas of concern.

John Pearson
Non-executive Chairman
6 June 2023

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.

External appointments

Chairman of Imagen Video Asset Management Ltd and director of Classic Racing EGTS Ltd.

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.

External appointments

None.

DAVID DORANS

Chief Financial Officer

Experience

Joined the Board in December 2017 following a career in the broadcasting and technology sector where his roles have included financial leadership and operational roles. David's task is to manage the financial and risk aspects of the Company as well as leading the human resources function.

Prior expertise

Chief financial officer at Mindshare UK, chief financial officer of YouView, head of distribution and broadcast technology at Channel 4 and general manager of UKTV. David is a Fellow of the Institute of Chartered Accountant in England & Wales having qualified with Coopers & Lybrand (now PricewaterhouseCoopers LLP).

Sector experience

Financial management, corporate governance, technology, media, advertising and HR.

External appointments

None.

BOARD OF DIRECTORS CONTINUED

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.

External appointments

Non-executive director of Personal Group Holdings plc, Personal Group Limited, Personal Assurance plc, Alexander Forbes Group Holdings Limited, Alexander Forbes International Limited, Director of Red Rose Recovery Limited and Vincent House Management Limited.

ALASTAIR KILGOUR

Non-executive Director

Experience

Joined the Board in December 2017. Alastair has significant venture capital experience and adds expertise on fundraising and shareholder management to the Board.

Prior expertise

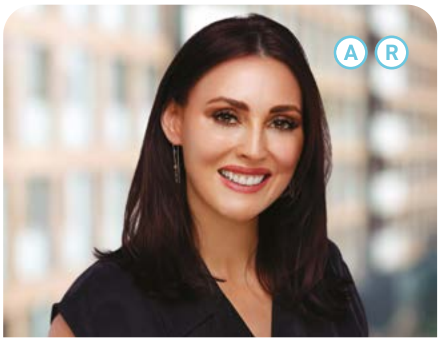
Possessing a depth of experience in the investment and fund management community, before founding Parkwalk Advisors Limited Alastair was a partner of Lazard LLP, a director of BNP and a founder partner of Ark Securities.

Sector experience

Venture capital, banking, funding strategy and M&A.

External appointments

Chief investment officer at Parkwalk Advisors Limited, director of Albert Innovations Limited, Beatrice Innovations Limited and Victoria Innovations Limited. Director of the following companies via Parkwalk corporate directorships: PetMedix Ltd, Congenica plc, Predictimmune Ltd, Mogrify Ltd, Phoremost Ltd and GeoSpock Ltd.



LOIS DAY

Non-executive Director

Experience

Joined the Board in June 2022. Lois has a breadth of experience in capital markets and venture capital. She is currently a Venture Partner in the Deep Tech team at IP Group plc, one of the UK's leading intellectual property commercialisation specialists. During her time at IP Group, Lois has led multiple successful fundraises for Deep Tech and Cleantech portfolio companies.

Prior expertise

Before joining IP Group, Lois spent a decade in investment banking, most recently at Goldman Sachs, where she was an Executive Director in the UK investment banking team. Prior to this she was a Vice President in the Technology M&A team at Rothschild, following a period at Morgan Stanley. Lois has a BA from Trinity College, Dublin, an MSc from the University of Oxford, and is a CFA Charterholder.

Sector experience

Technology, capital markets, venture capital, M&A, funding and strategy.

External appointments

3 Sisters Ventures LLP, 3 Sisters Capital Ltd, Fortitude Investments (Commercial) Ltd, Fortitude Investments Ltd, Store Space Ltd and Stevroch Ltd.

Ⓐ Audit Committee member
Ⓡ Remuneration Committee member
● Committee Chair

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
Venture capital, banking, funding strategy and M&A.

External appointments
None.

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.

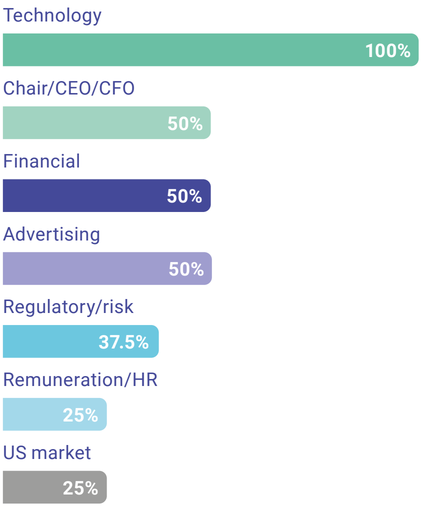
Prior expertise
Before joining TeamSnap, Nicole was Head of Advertising Partnerships at Quibi and Senior Vice President Revenue Strategy and Operations at Flipboard. Prior to that Nicole held senior roles at Martha Stewart Living Omnimedia and IAC/InterActiveCorp Advertising Solutions. She graduated with a BA Economics from Cornell.

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

External appointments
HMO Tech, LLC.

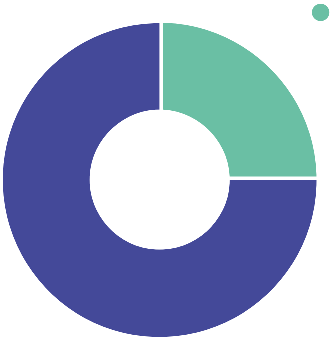
COMPOSITION OF THE BOARD

Board skills and experience

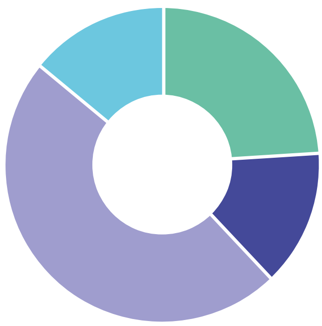


Board members by gender

Balance of the Board



Board members by nationality



Directors’ tenure

BOARD EFFECTIVENESS

As in previous years the Board conducted an effectiveness survey led by the Chairman and Company Secretary at the end of 2022. 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 2023 where actions to be taken during 2023 were agreed.

A summary of the key insights is set out below.

WHAT IS WORKING WELL?

1. Vision, priorities and values for the Company are clear, and the Board have a good understanding of their statutory and regulatory responsibilities as Directors
2. Strong engagement between the NEDs and Executive Directors
3. Clear corporate governance structure and positive feedback on effectiveness of Audit and Remuneration Committees
4. Strong leadership from Chair and effective operation as a board
5. Positive feedback relating to changes in Board composition in terms of added sector expertise and improved gender diversity of the Board (although continued lack of racial diversity noted)

AREAS WHERE THE BOARD IS WORKING LESS WELL?

1. Board engagement with staff could be increased/improved
2. Differing view on performance evaluation and effectiveness of the Board, and a lack of development plans noted for Directors
3. Difference of opinion on how clearly defined and articulated the Company's longer-term strategy is
4. Some concerns over amount and quality of external stakeholder and shareholder communication
5. Lack of clear performance benchmarking against competitors or similar organisations, including comparative remuneration data

ACTIONS FOR 2023

1. Consider involving more of the Board in stakeholder engagement
2. Consider implementing performance evaluation measures for the Board and personal development plans for Directors
3. As the business focus is now primarily the US market, consider adding one of the US based Directors to the Remuneration Committee
4. Consider providing more detail to the Board regarding the specific objectives underpinning the longer-term strategy and financial forecasts of the business
5. Consider allocating some time for deep-dives into particular areas of the business to help Board understanding of the Company, such as production/execution capacity of the business, technology resourcing, greater detail on sales cycle lengths and how the pipeline ties to revenue projections

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 2022, comprised a Non-executive Chairman, five 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 2022 the Board returned to a mix of (mainly) in person and (occasional) video conference meetings. There was one meeting where all Board members met in London. Following the appointments of JoAnna Foyle and Nicole McCormack both of whom are US based, Board meetings have been hybrid with the majority of Board members meeting in person 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 is pleased to report that it now has a more diverse composition than at any time since the Company listed in 2017.

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. As Alastair Kilgour and Lois Day are substantively employed by Parkwalk Advisors Limited and IP Group plc respectively, they are not regarded as independent but bring significant skills to the Board as set out on page 40.

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. Stephan Beringer and Alastair Kilgour were re-appointed as Directors at the last Annual General Meeting. Lois Day and Nicole McCormack were appointed as Directors by the Board on 23 June 2022 and JoAnna Foyle was appointed as a Director by the Board on 7 July 2022, both appointments after the last Annual General Meeting. Nicole and JoAnna are offering themselves for election at the forthcoming Annual General Meeting, while Lois will not be standing for election. In accordance with the Company's articles, Bob Head 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 2022 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 2022

Member	Board*	Audit Committee	Remuneration Committee
John Pearson	13/13	–	–
Stephan Beringer	13/13	–	–
David Dorans	13/13	–	–
Bob Head	13/13	3/3	4/4
Kelsey Lynn Skinner	7/7	2/2	3/3
Lois Day	6/6	1/1	1/1
Nicole McCormack	6/6	–	–
JoAnna Foyle	6/6	–	–
Alastair Kilgour	13/13	–	4/4

* 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 management and briefings on the Group's business, its industry and public company duties generally. Directors are able to visit any of the Group's offices on request. 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 add three new Directors in 2022. These changes benefited the overall diversity of the Board with an encouraging improvement in gender balance, increased geographical spread and a greater diversity of tenure.

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 has two Non-executive Director members. Throughout the year it was chaired by Bob Head and the other members were Kelsey Lynn Skinner until 23 June 2022 and Lois Day from 23 June 2022 onwards. 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 2022, with the most recent register being compiled in Q4 2022. 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 2022, 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 2022 audit (undertaken in 2023).

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 has three Non-executive Director members. It is chaired by Bob Head and the other Committee members were Alastair Kilgour and Kelsey Lynn Skinner until 23 June 2022 and Lois Day from 23 June 2022.

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 2022, 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 2022, 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 for two quarters of the year the business would undertake a light touch review and a detailed review would be undertaken at the ends of Q2 and Q4 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 2022 meetings with shareholders were a mix of face to face and video conference. The Company held a webinar for shareholders and analysts on 11 May 2022 to discuss business progress and the full year results for 2021. This was followed by one on one meetings with major shareholders, a webinar with Investor Meet Company on 12 May and a webinar for retail investors organised by Yellowstone Advisory. The Company released its interim results for 2022 on 26 September 2022, holding a webinar and further one on one meetings for larger shareholders immediately afterwards.

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.

By order of the Board

John Pearson
Non-executive Chairman
6 June 2023

MONITORING RISK AND REPORTING

Bob Head
Chair

Membership and number of meetings and attendance while in post during 2022

Member	
Bob Head (Chair)	3/3
Kelsey Lynn Skinner (until 23 June 2022)	2/2
Lois Day (from 23 June 2022)	1/1

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 accounts 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 2022.

The Company announced the resignation of Kelsey Lynn Skinner on 23 June 2022 and I would like to thank her for the help and support. We were disappointed to lose Kelsey but we wish her and her family well with her new baby.

I am pleased to welcome Lois to the Audit Committee. As I noted when Kelsey joined the Audit Committee, it is always good to have a new perspective on the various issues confronting any audit committee, and so it has proved again to be the case.

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 to ensure we have carefully considered the continued impact of Covid-19, 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 financial statements we can recommend to the Board and ultimately shareholders.

Lois Day and I were the two Non-executive Director members of the Committee. Our qualifications and experience are documented on page 40.

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 three 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 2 to 37 contains further details about the business risks identified and actions being taken.

GOING CONCERN REVIEW

The financial statements have been prepared on a going concern basis which assumes the Group and Company 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, notwithstanding the Group having made a loss for the year of £15.10 million (2021: £10.97 million).

The Group's cash balance was £11.3 million at the year end and the Group remains debt free with no external borrowing. The Group further announced that its cash balance was £7.52m as at 31 March 2023.

The Company announced a successful placing that raised £5.75 million, before fees, £5.2 million after fees, on 16 May 2023. The Company said at that time that it anticipated that this funding would provide sufficient working capital for the Company to continue to trade until the end of June 2024 based on base case forecasts which assume both revenue growth and cost savings being achieved within that period. 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 the next 12 months from the date of signing these financial statements. The Group and Company's base case forecast suggests that the Group will require additional external funding in July 2024 to be able to continue as a going concern. However in a severe, but plausible, downside scenario, if either the revenue growth forecasts or cost saving initiatives fall below expectation, additional funding may be required within 12 months of signing 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 signing 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.

Covid-19 and the recession/inflation has had a significant impact both on the Group and its counterparties during 2022 as outlined earlier in this Annual 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 as business volumes are lower than expected.
- A robust assessment of the likely liabilities should the business obtain sufficient 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.

- 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 aging of debtors.

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

- The recoverability of R&D tax credits. On the basis of the successful submission of the revised R&D claims for 2019 and 2020 discussed in this report last year, as well as the 2021 claim, all of which have now been paid by HMRC, management have assumed the same basis of R&D cost calculations for tax purposes will continue for the 2022 claim. The Committee was in agreement with the assessment.
- Closure costs for our Chinese operations. The Company announced in July 2022 that it intended an orderly wind down of its operations in China at the end of the Tencent contract which terminated in March 2023. Approximately half of the staff in China were made redundant effective September 2022. The 2022 financial statements include the redundancy costs for the remaining staff and an estimate of the legal fees associated with the liquidation of the Company's Chinese subsidiary. This was done on the basis that both shareholders, the staff and the Company's customer in China were aware of the Company's plans to exit the Chinese market before the end of 2022 albeit that final closure costs were not incurred until 2023. The Committee is in agreement with this approach.
- 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 application of IFRS 15 on revenue recognition. The Committee has reviewed the application of the IFRS for both interim and final financial statements and is content with the application as applied by management.
- 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 2022 and for this set of financial statements for the year ended 31 December 2022. 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).
- Unrecognised deferred tax asset. As there is insufficient evidence at this point in time that a deferred tax asset will be recovered, the committee is in agreement that this should not be recognised in the financial statements.
- 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.

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 is satisfied with the independence, objectivity and effectiveness of PricewaterhouseCoopers LLP and has recommended to the Board that the independent auditors be re-appointed. There will be a resolution to this effect at the forthcoming Annual General Meeting.

Bob Head
Non-executive Director
6 June 2023

SETTING AND REVIEWING REMUNERATION

Bob Head
Chair

Membership and number of meetings and attendance while in post during 2022

Member	
Bob Head (Chair)	4/4
Alastair Kilgour	4/4
Kelsey Lynn Skinner (until 23 June 2022)	3/3
Lois Day (from 23 June 2022)	1/1

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 2022.

The Remuneration Committee currently consists of three Non-executive Directors. Serving with me were Alastair Kilgour and Lois Day who replaced Kelsey Lynn Skinner on 23 June 2022. I would like to thank Kelsey for her help and counsel. The Terms of Reference for the Committee also allow the Company Chairman to attend Committee meetings. Our meetings have been both formal and informal over the course of 2022. We have had four 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 or as employees of 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.

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 by each component of the remuneration of the Executive Directors.

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 objectives as well and a slightly different mix of percentages.	The maximum amount payable to the CEO and CFO for 2022 are £221,250 and £66,375 respectively.	See overleaf under Executive 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 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 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 the 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.

MAJOR DECISIONS ON DIRECTORS' REMUNERATION

There have been no adjustments to the long-term incentive arrangements.

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.

STAFF AND DIRECTOR BONUSES

The Company operates a performance related bonus scheme for all staff, including Executive Directors, other than designated sales staff. For 2022 the measures, their weighting and achievement were as follows for staff:

Measure	% bonus pool	% achieved
Sales	25%	–
Cost	20%	20%
Growth in supply partnerships	5%	2.5%
Demand partnerships	5%	–
Ecosystem integration	5%	5%
Departmental goals	40%	30-40%
Total	**100%**	**57.5–67.5%**

The bonus expense excluding Executive Directors under the Company scheme and sales bonus arrangements for 2022 was £723,157.

Designated sales staff, of which the Company currently has nine, have bespoke short-term bonus arrangements that are linked entirely to Company revenue performance. These arrangements are discussed and reviewed at least annually by the Remuneration Committee. The bonus is not a simple percentage of revenue but rather based on revenue targets.

We expect to have a similar bonus structure for 2023 although we have decided that there will be an increase in the proportion of the scheme related to sales and a reduced percentage for staff (excluding the Executive Directors) based on departmental goals.

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. Their objectives and bonus eligibility were as follows:

Measure	CEO % bonus	CEO % achieved	CFO % bonus	CFO % achieved
Sales	50%	–	35%	–
Cost	10%	10%	20%	20%
Growth in supply partners	5%	2.5%	5%	2.5%
Demand partnerships	5%	–	5%	–
Ecosystem Integration	5%	5%	5%	5%
ESG	5%	5%	10%	10%
Transformational partnership deal	10%	–	10%	–
RemCo discretion	10%	–	10%	–
Total	**100%**	**22.5%**	**100%**	**37.5%**

For 2022 the CEO and CFO were awarded bonuses totalling £49,788 and £24,891 respectively. These were triggered by meeting the above performance criteria in the financial year ended 31 December 2022. These payments are normally made in March of the following financial year.

For 2023 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 Chairman 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 Chairman 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 only exception is Lois Day who has a fixed term agreement of 9 months which was renewed in March 2023, and has a termination period of one month.

The annual fee for John Pearson as Chair was £75,000 for 2022. My annual fee remained at £30,000 plus £5,000 for each Committee I chair (Remuneration and Audit Committees). The other UK-based Non-executive Directors' annual fees are £20,000 per annum while the US-based Non-executive Directors' annual fees are £40,000 per annum. 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 June 2022 with a single vesting date in June 2024. These awards are timed to pick up from the three-year options awarded to the Company's senior staff, including the CFO, in May 2020. Under the 2020 arrangement options were awarded at market price based on a multiple of salary. They vest monthly over the 36 months from May 2020 to May 2023. These options are only capable of exercise at the end of the 36-month period. Should an employee leave the Company for any reason, other than as a bad leaver, the vested options are retained by that employee and those vested options can be exercised at the end of the 36-month period.

On 6 June 2022 the Company granted 1,808,226 Options to senior managers who are either Executive Directors or deemed PDMRs. This included 442,500 options to the CFO. These options vest after two years on 6 June 2024 and will add to existing option awards, which were initially granted on 18 May 2020 and will fully vest on 18 May 2023.

The Company also granted 468,182 Options to six existing senior managers, who are not regarded as PDMRs. These will also vest after two years on 6 June 2024 and will add to existing option grants, which were also initially granted on 18 May 2020.

The Company further granted 858,000 Options to two new US-based senior managers, who are not regarded as PDMRs. These options vest in equal annual installments on 6 June 2023, 2024 and 2025.

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 624,357 Options were granted to employees of the Company in the UK and US. These employee options will vest in three annual instalments with the first vesting taking place 24 months after the date of grant and will fully vest by 6 June 2026.

In total these grants amounted to 3,758,765 Options which equates to 1.3% of the Company's existing issued share capital (the "ISC"). In total, following the grant of these Options, 27,164,907 options are now under grant but not exercised under the Mirriad Advertising plc LTIP scheme (the "Total Options"), which equates to 9.7% of the ISC. The weighted average price of the Total Options is approximately 18.9p.

None of the Directors exercised any options during the year.

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

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

	Options at 31 December 2022	Vesting dates	Exercise price
Executive			
Stephan Beringer	**2,102,454**	1 Oct 2019/20/21	£0.00001
	5,500,000	Performance dependent*	£0.15
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
Kelsey Lynn Skinner (to 23 June 2022)	**–**	–	–
Lois Day (from 23 June 2022)	**–**	–	–
JoAnna Foyle (7 July 2022)	**–**	–	–
Nicole McCormack (from 23 June 2022)	**–**	–	–
Alastair Kilgour	**–**	–	–

* These options will only vest if certain share price targets are achieved. Two of the targets were met in 2020 and none in 2021.

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	Total 2022 £000	Total 2021 £000
Executive							
Stephan Beringer	**443**	**50**	**27**	**–**	**54**	**574**	678
David Dorans	**221**	**25**	**12**	**1**	**98**	**357**	345
Non-executive							
John Pearson	**75**	**–**	**–**	**–**	**13**	**88**	99
Dr Mark Reilly	**–**	**–**	**–**	**–**	**–**	**–**	3
Kelsey Lynn Skinner	**10**	**–**	**–**	**–**	**–**	**10**	17
Lois Day	**10**	**–**	**–**	**–**	**–**	**10**	–
JoAnna Foyle	**19**	**–**	**–**	**–**	**–**	**19**	–
Nicole McCormack	**21**	**–**	**–**	**–**	**–**	**21**	–
Alastair Kilgour	**20**	**–**	**–**	**–**	**–**	**20**	20
Bob Head	**40**	**–**	**–**	**–**	**6**	**46**	50
Aggregate emoluments	**859**	**75**	**39**	**1**	**171**	**1,145**	1,212

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.

Following annual pay reviews and appraisals the CEO and CFO's salaries were increased by 5.35% in line with other UK staff effective 1 January 2023 to £466,250 and £233,100 respectively.

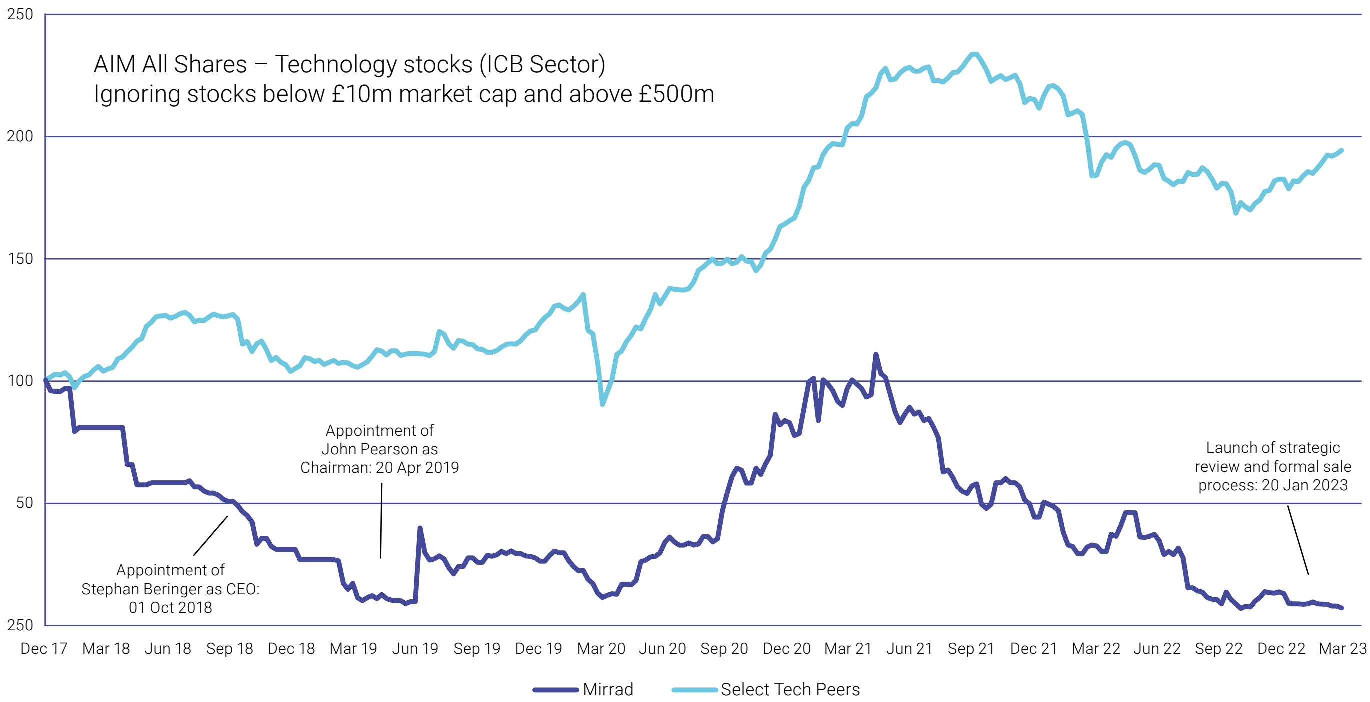
Shareholder consultations were held on the CEO's long-term incentives last year as reported in the 2019 accounts. There have been no other consultations this year.

There were no payments for loss of office.

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.

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 above £10 million market cap and less than £500 million market cap over the same period.

SHARE PERFORMANCE CHART VS AIM TECH EXCL £10M AND OVER £500M



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 2021 and 2022.

	2021	**2022**
Stephan Beringer		
Chief Executive Officer single figure (£000)	678	**574**
Annual bonus (% of max)	52.5%	**22.5%**
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 2021 although we do review pay studies that are freely available.

Bob Head
Non-executive Director
6 June 2023

DIRECTORS' REPORT

The Directors present their Annual Report and the audited consolidated financial statements of the Group for the year ended 31 December 2022.

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 6 and 7), the Chief Executive's statement (pages 8 and 9) and the Financial Review (pages 20 to 22) report on the performance of the Group during the year ended 31 December 2022 and its prospects for the future.

DIRECTORS

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

- John Pearson – appointed 2 October 2017
- Stephan Beringer – appointed 1 October 2018
- David Dorans – appointed 19 December 2017
- Alastair Kilgour – appointed 19 December 2017
- Bob Head – appointed 13 June 2019
- Kelsey Lynn Skinner – resigned 23 June 2022
- Lois Day – appointed 23 June 2022
- Nicole McCormack – appointed 23 June 2022
- JoAnna Foyle – appointed 7 July 2022

SIGNIFICANT SHAREHOLDERS

The Company is informed that, at 31 March 2023, 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
M&G Investments	36,616,666	13.1%
Parkwalk Advisors	35,977,908	12.9%
IP Group*	34,393,570	12.3%
Investec Wealth & Investment	24,289,041	8.7%
Hargreaves Lansdown	13,374,967	4.8%
Chelverton Asset Management	12,800,000	4.6%
Ninety One	12,145,310	4.4%
Janus Henderson Investors	10,533,777	3.8%
Columbia Threadneedle Investments	8,466,924	3.0%

* 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 2022 and at 31 March 2023 were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
Executive Directors		
Stephan Beringer	358,333	0.13%
David Dorans	523,857	0.19%
Non-executive Directors		
John Pearson	261,666	0.09%
Alastair Kilgour	791,668	0.28%
Bob Head	183,333	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 30 June 2023. The notice of meeting appears on page 97 of these financial statements.

POLITICAL AND CHARITABLE DONATIONS

During the year ended 31 December 2022 the Group made political donations of £nil (2021: £nil) and charitable donations of £nil (2021: £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 2 to 37 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.

On behalf of the Board

David Dorans
Director
6 June 2023

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 the 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, 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.

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 2022 and of the Group's loss and the Group's and Company'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 2022; 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, which include a description of the significant accounting policies.

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 June 2024. In the base case scenario additional funding will be required in July 2024 to be able to continue as a going concern. The Directors have forecast a severe but plausible downside scenario in the event that either revenue growth forecasts or cost saving initiatives fall below expectations, in which case the Group and Company will require additional funding within the going concern period of 12 months following the date of approval of the financial statements. At the date of signing 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 31 March 2023 to bank statements given this was used as a starting cash flow in the forecast models.
- Agreeing the cash on hand balance at 28 April 2023 and 31 May 2023 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.

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 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 (India and China) 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.

Key audit matters

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

Materiality

- Overall group materiality: £160,000 (2021: £573,500) based on approximately 1% of total expenses.
- Overall company materiality: £130,000 (2021: £516,200) based on approximately 1% of total expenses.
- Performance materiality: £120,000 (2021: £430,100) (Group) and £97,500 (2021: £387,100) (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.

Impairment of investments and intercompany balances is a new key audit matter this year. Fraud in revenue recognition, which was a key audit matter last year, is no longer included because of the completion of the large customer contract recognised 'over time' within the year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments and intercompany balances (parent) The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is any impairment. During the year the Company made further 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 and therefore the investment in China of £768,147 was fully impaired in the year. Refer to Note 9 of the financial statements ('Investments'). 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 £1,443,014 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 investment in China and 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. There is no judgment involved in the impairment losses related to the investment in China. Overall we conclude that there is no remaining risk of material misstatement from additional impairments in investments and 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 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 (India and China) we have performed procedures to identify any unusual or unexpected transactions or balances and audited material financial statement line items in India. We have not performed anything on Mirriad Ltd. as it is a dormant entity.

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	£160,000 (2021: £573,500).	£130,000 (2021: £516,200).
How we determined it	Approximately 1% of total expenses (2021: 4.8% of loss before tax)	Approximately 1% of total expenses (2021: 5% of loss before tax)
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. In the prior year, loss before tax was used as our benchmark however we believe total expenses is a more appropriate benchmark reflecting current status of the Group.	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. In the prior year, loss before tax was used as our benchmark however we believe total expenses is a more appropriate benchmark reflecting current status of the Company.

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 £110,000 – £144,000.

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% (2021: 75%) of overall materiality, amounting to £120,000 (2021: £430,100) for the Group financial statements and £97,500 (2021: £387,100) 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 £8,000 (Group audit) (2021: £28,675) and £6,500 (Company audit) (2021: £25,808) 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 2022 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 statments

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
6 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	**Year ended 31 December 2022 £**	Year ended 31 December 2021 £
Revenue	5	**1,507,257**	2,009,721
Cost of sales		**(286,316)**	(293,627)
Gross profit		**1,220,941**	1,716,094
Administrative expenses	6	**(16,863,015)**	(13,936,458)
Other operating income	6	**–**	200,982
Operating loss	6	**(15,642,074)**	(12,019,382)
Finance income	8	**71,875**	9,907
Finance costs	8	**(22,512)**	(10,768)
Finance income/(costs) – net	8	**49,363**	(861)
Loss before income tax		**(15,592,711)**	(12,020,243)
Income tax credit	10	**491,888**	1,047,771
Loss for the year		**(15,100,823)**	(10,972,472)
Loss per Ordinary Share – basic	11	**(5p)**	(4p)

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 2022

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Loss for the financial year	**(15,100,823)**	(10,972,472)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**43,782**	(216,756)
Total comprehensive loss for the year	**(15,057,041)**	(11,189,228)

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 2022

		Group		Company	
	Note	**As at 31 December 2022 £**	As at 31 December 2021 £	**As at 31 December 2022 £**	As at 31 December 2021 £
Assets					
Non-current assets					
Property, plant and equipment	12	**544,242**	767,396	**396,783**	644,219
Intangible assets	13	**—**	—	**—**	—
Investments	9	**—**	—	**10,892**	420,907
Trade and other receivables	14	**187,657**	162,962	**162,962**	162,962
		731,899	930,358	**570,637**	1,228,088
Current assets					
Trade and other receivables	14	**2,221,091**	1,892,152	**540,808**	435,519
Other current assets	10	**529,377**	1,116,320	**529,377**	1,116,320
Cash and cash equivalents		**11,289,123**	24,501,214	**10,511,027**	23,720,249
		14,039,591	27,509,686	**11,581,212**	25,272,088
Total assets		**14,771,490**	28,440,044	**12,151,849**	26,500,176
Liabilities					
Non-current liabilities					
Lease liabilities	24	**206,988**	411,993	**157,008**	411,993
		206,988	411,993	**157,008**	411,993
Current liabilities					
Trade and other payables	15	**2,904,311**	2,866,773	**1,572,252**	1,674,265
Provisions	15	**198,199**	—	**—**	—
Current tax liabilities	15	**14,330**	2,481	**—**	—
Lease liabilities	24	**322,401**	217,825	**271,600**	158,433
		3,439,241	3,087,079	**1,843,852**	1,832,698
Total liabilities		**3,646,229**	3,499,072	**2,000,860**	2,244,691
Net assets		**11,125,261**	24,940,972	**10,150,989**	24,255,485
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	17	**52,690**	52,690	**52,690**	52,690
Share premium	17	**65,754,666**	65,754,666	**65,754,666**	65,754,666
Share-based payment reserve	18	**4,906,855**	3,665,525	**4,906,855**	3,665,525
Retranslation reserve	19	**(316,272)**	(360,054)	**—**	—
Accumulated losses		**(59,272,678)**	(44,171,855)	**(60,563,222)**	(45,217,396)
Total equity		**11,125,261**	24,940,972	**10,150,989**	24,255,485

The Company loss for the year is £15,345,826 (2021: £11,325,185). The financial statements on pages 65 to 96 were approved by the Board of Directors on 6 June 2023 and signed on its behalf by:

David Dorans
Chief Financial Officer

Mirriad Advertising plc

Company number: 09550311

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2021					
	Note	Share capital £	Share premium £	Share-based payment reserve £	Retranslation reserve £	Accumulated losses £	Total equity £
Balance at 1 January 2021		52,688	65,710,297	2,850,571	(143,298)	(33,199,383)	35,270,875
Loss for the financial year		—	—	—	—	(10,972,472)	(10,972,472)
Other comprehensive loss for the year	19	—	—	—	(216,756)	—	(216,756)
Total comprehensive loss for the year		—	—	—	(216,756)	(10,972,472)	(11,189,228)
Proceeds from shares issued	17	2	44,369	—	—	—	44,371
Share-based payments recognised as expense	18	—	—	814,954	—	—	814,954
Total transactions with shareholders recognised directly in equity		2	44,369	814,954	—	—	859,325
Balance at 31 December 2021		52,690	65,754,666	3,665,525	(360,054)	(44,171,855)	24,940,972

		Year ended 31 December 2022					
	Note	**Share capital £**	**Share premium £**	**Share-based payment reserve £**	**Retranslation reserve £**	**Accumulated losses £**	**Total equity £**
Balance at 1 January 2022		**52,690**	**65,754,666**	**3,665,525**	**(360,054)**	**(44,171,855)**	**24,940,972**
Loss for the financial year		**—**	**—**	**—**	**—**	**(15,100,823)**	**(15,100,823)**
Other comprehensive income for the year	19	**—**	**—**	**—**	**43,782**	**—**	**43,782**
Total comprehensive loss for the year		**—**	**—**	**—**	**43,782**	**(15,100,823)**	**(15,057,041)**
Share-based payments recognised as expense	18	**—**	**—**	**1,241,330**	**—**	**—**	**1,241,330**
Total transactions with shareholders recognised directly in equity		**—**	**—**	**1,241,330**	**—**	**—**	**1,241,330**
Balance at 31 December 2022		**52,690**	**65,754,666**	**4,906,855**	**(316,272)**	**(59,272,678)**	**11,125,261**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2021				
	Note	Share capital £	Share premium £	Share-based payment reserve £	Accumulated losses £	Total equity £
Balance at 1 January 2021		52,688	65,710,297	2,850,571	(33,892,211)	34,721,345
Loss for the financial year		—	—	—	(11,325,185)	(11,325,185)
Total comprehensive loss for the year		—	—	—	(11,325,185)	(11,325,185)
Proceeds from shares issued	17	2	44,369	—	—	44,371
Share-based payments recognised as expense	18	—	—	814,954	—	814,954
Total transactions with shareholders recognised directly in equity		2	44,369	814,954	—	859,325
Balance at 31 December 2021		52,690	65,754,666	3,665,525	(45,217,396)	24,255,485

		Year ended 31 December 2022				
	Note	**Share capital** **£**	**Share premium** **£**	**Share-based payment reserve** **£**	**Accumulated losses** **£**	**Total equity** **£**
Balance at 1 January 2022		**52,690**	**65,754,666**	**3,665,525**	**(45,217,396)**	**24,255,485**
Loss for the financial year		**—**	**—**	**—**	**(15,345,826)**	**(15,345,826)**
Total comprehensive loss for the year		**—**	**—**	**—**	**(15,345,826)**	**(15,345,826)**
Share-based payments recognised as expense	18	**—**	**—**	**1,241,330**	**—**	**1,241,330**
Total transactions with shareholders recognised directly in equity		**—**	**—**	**1,241,330**	**—**	**1,241,330**
Balance at 31 December 2022		**52,690**	**65,754,666**	**4,906,855**	**(60,563,222)**	**10,150,989**

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**£**	£	**£**	£
Cash flow used in operating activities	21	**(14,017,146)**	(10,450,796)	**(13,846,680)**	(10,781,098)
Tax credit received		**1,116,320**	72,993	**1,116,320**	72,993
Taxation paid		**(39,829)**	(46,928)	**—**	—
Interest received		**71,875**	9,907	**69,409**	7,275
Lease interest paid		**(22,512)**	(10,768)	**(13,143)**	(6,094)
Net cash used in operating activities		**(12,891,292)**	(10,425,592)	**(12,674,094)**	(10,706,924)
Cash flow from investing activities					
Investment in subsidiaries	9	**—**	—	**(358,132)**	—
Purchase of tangible assets	12	**(75,647)**	(159,250)	**(35,178)**	(79,271)
Proceeds from disposal of tangible assets		**—**	—	**—**	—
Net cash used in investing activities		**(75,647)**	(159,250)	**(393,310)**	(79,271)
Cash flow from financing activities					
Proceeds from issue of Ordinary Share capital (net of costs of issue)	17	**—**	44,371	**—**	44,371
Payment of lease liabilities		**(245,152)**	(379,711)	**(141,818)**	(265,506)
Net cash used in financing activities		**(245,152)**	(335,340)	**(141,818)**	(221,135)
Net decrease in cash and cash equivalents		**(13,212,091)**	(10,920,182)	**(13,209,222)**	(11,007,330)
Cash and cash equivalents at the beginning of the year		**24,501,214**	35,421,396	**23,720,249**	34,727,579
Cash and cash equivalents at the end of the year		**11,289,123**	24,501,214	**10,511,027**	23,720,249
Cash and cash equivalents consists of:					
Cash at bank and in hand		**11,289,123**	24,501,214	**10,511,027**	23,720,249
Cash and cash equivalents		**11,289,123**	24,501,214	**10,511,027**	23,720,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 £15.10 million (2021: £10.97 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 signing these financial statements.

The Group's cash balance was £11.3 million at the year end and the Group remains debt free with no external borrowing. The Group further announced that its cash balance was £7.52m as at 31 March 2023.

The Company announced a successful placing that raised £5.75 million, before fees, £5.2 million after fees, on 16 May 2023. The Company said at that time that it anticipated that this funding would provide sufficient working capital for the Company to continue to trade until the end of June 2024 based on base case forecasts which assume both revenue growth and cost savings being achieved within that period. 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 the next 12 months from the date of signing these financial statements. The Group and Company's base case forecast suggests that the Group will require additional external funding in July 2024 to be able to continue as a going concern. However in a severe but plausible downside scenario, if either the revenue growth forecasts or cost saving initiatives fall below expectation, additional funding may be required, within 12 months of signing 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 signing 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 2022:

- Proceed before intended use – Amendments to IAS 16;
- Onerous contracts – Costs of fulfilling a contract – Amendments to IAS 37;
- Reference to conceptual framework – Amendments to IFRS 3; and
- Annual Improvements 2018-2020 Cycle – Amendments to IFRS 1, IFRS 9 and IAS 41.

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 2023, 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.

2. ACCOUNTING POLICIES CONTINUED

2.2 Business combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

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 2022, and the prior year to 31 December 2021.

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.

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 Restranslation Reserve in the consolidated numbers; and

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

2. ACCOUNTING POLICIES CONTINUED

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 distributers 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.

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 where a campaign spans more than one month, on a monthly basis depending on campaign progress and advertising units delivered to the customer, as a proportion of the total campaign goals or agreed fee. 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. The revenue to be recognised is calculated as the proportion of the total campaign delivered in that particular month multiplied by the value of the overall insertion order.

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

During the year there was a customer contract with Tencent which included a minimum revenue guarantee and we have adopted a specific revenue recognition policy for this contract. In the case of Tencent we consider that it is the contract itself which forms 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.

The Tencent agreement was effective from 1 April 2021 and ran until 31 March 2023. This agreement has similarities with the Group's other customer arrangements in that it specifies a share of revenue that Mirriad is entitled to for each campaign delivered under the agreement. However, it also includes 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.

2. ACCOUNTING POLICIES CONTINUED

2.5 Revenue recognition continued

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 2022 the total accrued revenue balance related to contract assets was £17,844 (2021: £155,713). This balance was fully invoiced to customers in January 2023.

As at 31 December 2022 the total deferred revenue balance related to contract liabilities was £13,604 (2021: £95,571). This will all be recognised in 2023.

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 Other operating income

Other operating income for the Group in the relates to income received from government grants and research and development expenditure credits.

2.8 Government grants

Grant income represents amounts received from the government to assist with the funding of research and development activities carried out by the Group. Government grant income is recognised at fair value in the profit and loss account at the point that there is reasonable assurance that the Group has complied with the conditions attaching to them and the grants will be received. Government grants are recognised in the income statement on a systematic basis over the periods in which the related costs towards which they are intended to compensate are recognised as expenses. Where grant related costs relate to staff expenses which are being capitalised as development costs the related grant income is not recognised in the income statement but is instead deducted in arriving at the intangible asset being recognised.

2.9 Interest income

Interest income is recognised using the effective interest rate method.

2.10 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.

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. ACCOUNTING POLICIES CONTINUED

2.11 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% (2021: 3.19%).
- China – 4.75% (2021: 4.75%).
- India – 8.25% (2021: 10%).

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.

2.12 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.

(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. ACCOUNTING POLICIES CONTINUED

2.13 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.

2.14 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".

2.15 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

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 Share capital

Ordinary Shares, preference 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.

2.22 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.

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), credit risk and liquidity risk. The Group's overall risk management programme is focused on operating cost and cash management.

3. FINANCIAL RISK MANAGEMENT CONTINUED

3.1 Group financial risk factors continued

(a) Currency risk

The Group operates internationally and is exposed to foreign exchange risk from various currency exposures, primarily with respect to the USA Dollar, Indian Rupee and Chinese Yuan. 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 2022 the revaluation gain on foreign subsidiary net assets recognised in the statement of comprehensive income was £43,782 (2021: loss of £216,756).

(a) Currency risk continued

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) 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.

(c) 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 £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
As at 31 December 2022				
Trade and other payables	**1,158,978**	**212,536**	**–**	**–**
As at 31 December 2021				
Trade and other payables	904,770	271,600	158,433	–

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 (2021: 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 AND JUDGEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

(a) Critical accounting estimates and assumptions continued

Estimates

(i) China office closure costs provision

During the year the Company announced the decision to make an orderly withdrawal from the China market and close the Chinese subsidiary company when the agreement with Tencent expires on 31 March 2023. The Company has deemed that this constituted an obligating event under IAS 37 and as such has made a restructuring provision as at 31 December 2022 for those costs that are expected to be necessarily entailed by the restructuring and are not associated with the ongoing activities of the entity. The amount provided and included in administrative expenses is £198,199.

Judgements

(ii) 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 of above for more detail on the judgements involved.

(iii) Share-based payments

The Group and Company records 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 the prior year. 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. For the current year the share-based payment charge associated with the market performance options was £71,689. If a vesting period of five years was used the charge for 2022 would have been £94,283. Further details of the Group's estimation of share-based payments are disclosed in note 20.

(iv) 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 (2021: £nil).

(v) Research and Development tax credits

Following successful submission of the revised R&D claims for 2019 and 2020, as well as the 2021 claim, all of which have now been paid by HMRC management have assumed the same basis of the R&D cost calculation for the 2022 claim.

(vi) Unrecognised deferred tax asset

There is an unrecognised deferred tax asset of £20,415,648 (2021: £17,737,565) 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.

(vii) 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.

(viii) 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 £1,443,014 (2021: £763,849). This judgement only impacts the Company numbers and all intercompany balances net off on consolidation for the Group numbers.

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.

The only income outside of the primary business activity relates to income received from grants which is recognised in other operating income.

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

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	**2022 £**	2021 £
Turnover by geography		
USA	**1,180,798**	884,248
UK	**178,476**	144,309
China	**147,983**	981,164
Total	**1,507,257**	2,009,721

	2022 £	2021 £
Turnover by category		
Rendering of services	**1,507,257**	2,009,721
Total	**1,507,257**	2,009,721

Revenues from external customers by country, based on the destination of the customer	**2022 £**	2021 £
USA	**1,100,680**	863,960
China	**147,983**	981,164
Canada	**80,118**	20,288
Germany	**67,711**	12,800
Turkey	**33,601**	26,194
UK	**27,833**	41,475
United Arab Emirates	**16,896**	—
France	**12,605**	35,399
Japan	**12,381**	—
Belgium	**7,449**	7,993
Other	**—**	20,448
Total	**1,507,257**	2,009,721

Revenues of £160,613 (2021: £27,746) are derived from a single external customer based in the USA. The next largest customer, based in China had revenues of £147,983 (2021: £981,164). Of the total revenue recognised for the year £83,078 was recognised over time (2021: £981,164) and £1,424,179 was recognised at a point in time (2021: £1,028,557).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

5. SEGMENT INFORMATION CONTINUED

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:

	2022 £	2021 £
UK	**(13,483,196)**	(11,108,631)
USA	**(253,219)**	(19,812)
India	**(770,084)**	(572,662)
China	**(695,848)**	122,113
Total EBITDA	**(15,202,347)**	(11,578,992)
Depreciation	**(439,727)**	(440,390)
Finance income/(costs) net	**49,363**	(861)
Loss before tax	**(15,592,711)**	(12,020,243)

2021	Depreciation £	Income tax credit/(charge) £	Finance Income/ (charge) net £
UK	(312,671)	1,075,541	1,181
USA	(764)	—	196
India	(42,511)	(25,252)	1,072
China	(84,444)	(2,518)	(3,310)
Total	(440,390)	1,047,771	(861)

2022	**Depreciation £**	**Income tax credit/(charge) £**	**Finance income/ (charge) net £**
UK	**(282,614)**	**531,418**	**56,266**
USA	**—**	**—**	**—**
India	**(103,199)**	**(39,530)**	**(7,595)**
China	**(53,914)**	**—**	**692**
Total	**(439,727)**	**491,888**	**49,363**

Non-current assets	2022 £	2021 £
UK	**559,745**	807,181
USA	**28,055**	4,278
India	**140,890**	63,516
China	**3,209**	55,383
Total	**731,899**	930,358

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

Total assets	2022 £	2021 £
UK	**12,140,957**	25,978,164
USA	**1,846,592**	1,133,619
India	**429,100**	623,967
China	**354,841**	704,294
Total	**14,771,490**	28,440,044

5. SEGMENT INFORMATION CONTINUED

Loss before tax continued

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

Liabilities	2022 £	2021 £
UK	**1,784,148**	2,245,892
USA	**1,363,784**	679,983
India	**249,214**	372,197
China	**249,083**	201,000
Total	**3,646,229**	3,499,072

6. OPERATING LOSS

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

	Note	2022 £	2021 £
Employee benefits	7	**11,200,918**	9,398,756
Depreciation of property, plant and equipment	12	**439,727**	440,390
Foreign exchange movements		**6,734**	(247,956)
Other general and administrative costs		**5,177,356**	4,638,895
Office closure costs		**324,596**	—
Other operating income		**—**	(200,982)
Total cost of sales, administrative expenses and other operating income		**17,149,331**	14,029,103

Other general and administrative costs includes legal and professional fees, IT infrastructure & software related costs, property costs, marketing and research costs.

Office closure costs includes employee redundancy and other expenses related to the closure of the China office. Of this total £126,397 was incurred in the year and £198,199 was provided for at the year end.

Other operating income includes income received from government grants and research and development expenditure credits. The Group has complied with all the conditions attached to these grant awards.

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

	2022 £	2021 £
Audit fees	**135,000**	110,000
Total	**135,000**	110,000

Non-audit fees payable to PricewaterhouseCoopers LLP were £nil (2021: £nil).

7. EMPLOYEES

7.1 Employee benefit expense

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Wages and salaries	**8,905,549**	7,538,970	**5,056,111**	5,188,666
Social security costs	**741,036**	787,546	**494,190**	600,293
Share options granted to Directors and employees	**1,241,330**	814,954	**1,241,330**	814,954
Other pension costs	**313,003**	257,286	**248,211**	234,890
Total	**11,200,918**	9,398,756	**7,039,842**	6,838,803

All pension costs relate to the defined contribution scheme.

7. EMPLOYEES CONTINUED

7.1 Employee benefit expense continued

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 53 and 54.

7.2 Average number of people employed

	Group		Company	
By activity	**2022 Number**	2021 Number	**2022 Number**	2021 Number
Average monthly numbers of persons employed (including Directors) by the Company during the year was:				
Sales and account management	**18**	12	**5**	4
Ad operations and delivery	**54**	45	**4**	4
Research and development	**37**	37	**30**	33
Marketing, product and research	**7**	8	**5**	7
Management and administration	**10**	11	**10**	11
	126	113	**54**	59

8. FINANCE INCOME AND COSTS

Finance income	**2022 £**	2021 £
Interest on short-term deposit	**71,875**	9,907
Finance income	**71,875**	9,907
Finance costs		
Interest and finance charges paid for lease liabilities	**(22,512)**	(10,768)
Finance costs	**(22,512)**	(10,768)
Net finance income/(costs)	**49,363**	(861)

9. INVESTMENTS

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

	2022 £	2021 £
At 1 January	**420,907**	420,907
Additions	**358,132**	–
Impairment	**(768,147)**	–
Total investments at 31 December	**10,892**	420,907

During the 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.

9. INVESTMENTS CONTINUED

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.	276 5th Avenue, Suite 808 New York, NY 10001	Provision of embedded advertising into video	USA	100%
Mirriad Software Science and Technology (Shanghai) Co. Ltd.	Rm 1328, 2nd Floor, No.148, Lane 999, Xin Er Road, Shanghai	Provision of embedded advertising into video	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 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;
- Mirriad Software Science and Technology (Shanghai) Co. Ltd: registered capital is 6,672,568 CNY; and
- Mirriad Limited: 1 share of 0.01 GBP.

10. INCOME TAX CREDIT

Tax credit included in profit and loss	**2022 £**	2021 £
Current tax		
Research and development tax credit for the year	**(529,377)**	(463,786)
Tax charge on research and development expenditure credit	**—**	5,142
Adjustment in respect of prior years	**(2,041)**	(616,898)
Foreign tax payable	**39,530**	27,771
Total current tax	**(491,888)**	(1,047,771)
Deferred tax		
Origination and reversal of timing differences	**—**	—
Total deferred tax	**—**	—
Tax on loss	**(491,888)**	(1,047,771)

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.

10. INCOME TAX CREDIT CONTINUED

Reconciliation of tax credit

The tax assessed for the year is based on the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are outlined below:

	2022 £	2021 £
Loss before tax	**(15,592,711)**	(12,020,243)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**(2,962,615)**	(2,283,846)
Effects of:		
Fixed asset timing differences	**485**	2,413
Expenses not deductible for tax purposes	**416,868**	196,373
Adjustments to tax credit in respect of previous years	**(2,041)**	(616,898)
Share scheme deductions	**–**	(1,457)
Differences in subsidiary tax rates	**(28,866)**	–
Effect of change of tax rate on opening balances	**(639,018)**	–
Enhanced R&D deduction	**(392,072)**	(343,494)
R&D tax credit receivable	**(529,377)**	(463,786)
Additional tax arising on RDEC	**–**	5,142
Surrender of losses for R&D tax credit	**693,666**	143,933
Use of prior year losses	**(9,852)**	–
Deferred tax not recognised on unutilised losses	**2,960,934**	2,313,849
Total tax credit for the year	**(491,888)**	(1,047,771)

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

	2022		
	Before tax £	**Tax (charge)/ credit £**	**After tax £**
Fair value income			
Currency translation differences	**43,782**	**–**	**43,782**
Other comprehensive income	**43,782**	**–**	**43,782**

	2021		
	Before tax £	Tax (charge)/ credit £	After tax £
Fair value income			
Currency translation differences	(216,756)	–	(216,756)
Other comprehensive loss	(216,756)	–	(216,756)

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 £346,910 (2021: £346,910) 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.

10. INCOME TAX CREDIT CONTINUED

Deferred tax continued

	2022 £	2021 £
Deferred tax assets	**346,910**	346,910
Deferred tax liabilities	**(346,910)**	(346,910)
Net balances	**–**	–

Movements on the deferred tax asset

	2022 £	2021 £
At 1 January	**346,910**	346,910
Acquisition during the year	**–**	–
At 31 December	**346,910**	346,910

Movements on the deferred tax liability

	2022 £	2021 £
At 1 January	**(346,910)**	(346,910)
Acquisition during the year	**–**	–
At 31 December	**(346,910)**	(346,910)

There is an unrecognised deferred tax asset of £20,415,648 (2021: £17,737,565) in relation to the trading losses carried forward, provisions and future exercisable shares.

Unrecognised deferred tax has been calculated at 25% (2021: 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

A change to the UK corporation tax rate was enacted as part of the Finance Act 2021, which received royal assent on 10 June 2021. This was an increase to the main rate of corporation tax from 19% to 25% from 1 April 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

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	2022	2021
Loss attributable to owners of the parent (£)	**(15,100,823)**	(10,972,472)
Weighted average number of Ordinary Shares in issue (number)	**279,180,808**	279,091,959

The loss per share for the year was 5p (2021: 4p).

No dividends were paid during the year (2021: £nil).

(b) Diluted

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

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Fixtures, fittings and computer equipment £	Right-of-use assets £	Leasehold improvements £	Total £
At 1 January 2021				
Cost or valuation	369,592	1,114,785	357,510	1,841,887
Accumulated depreciation	(304,590)	(646,109)	(254,645)	(1,205,344)
Net book amount	65,002	468,676	102,865	636,543
Year ended 31 December 2021				
Opening net book amount	65,002	468,676	102,865	636,543
Additions	159,250	411,993	—	571,243
Disposals	(899)	—	—	(899)
Depreciation charge	(68,588)	(299,931)	(71,871)	(440,390)
Depreciation on disposals	899	—	—	899
Closing net book amount	155,664	580,738	30,994	767,396
At 31 December 2021				
Cost or valuation	527,943	1,526,778	357,510	2,412,231
Accumulated depreciation	(372,279)	(946,040)	(326,516)	(1,644,835)
Net book amount	155,664	580,738	30,994	767,396
Year ended 31 December 2022				
Opening net book amount	155,664	580,738	30,994	767,396
Additions	67,032	140,926	8,615	216,573
Disposals	(17,075)	—	—	(17,075)
Depreciation charge	(99,161)	(302,804)	(37,762)	(439,727)
Depreciation on disposals	17,075	—	—	17,075
Closing net book amount	**123,535**	**418,860**	**1,847**	**544,242**
At 31 December 2022				
Cost or valuation	577,900	1,667,704	366,125	2,611,729
Accumulated depreciation	(454,365)	(1,248,844)	(364,278)	(2,067,487)
Net book amount	**123,535**	**418,860**	**1,847**	**544,242**

As at 31 December 2022 there were no contractual commitments to purchase any further property, plant and equipment (2021: none).

12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Company

	Fixtures, fittings and computer equipment £	Right-of-use assets £	Leasehold improvements £	Total £
At 1 January 2021				
Cost or valuation	318,706	721,888	355,442	1,396,036
Accumulated depreciation	(277,727)	(402,914)	(249,769)	(930,410)
Net book amount	40,979	318,974	105,673	465,626
Year ended 31 December 2021				
Opening net book amount	40,979	318,974	105,673	465,626
Additions	79,271	411,993	—	491,264
Disposals	(899)	—	—	(899)
Depreciation charge	(39,343)	(201,457)	(71,871)	(312,671)
Depreciation on disposals	899	—	—	899
Closing net book amount	80,907	529,510	33,802	644,219
At 31 December 2021				
Cost or valuation	397,078	1,133,881	355,442	1,886,401
Accumulated depreciation	(316,171)	(604,371)	(321,640)	(1,242,182)
Net book amount	80,907	529,510	33,802	644,219
Year ended 31 December 2022				
Opening net book amount	80,907	529,510	33,802	644,219
Additions	26,563	—	8,615	35,178
Disposals	(17,075)	—	—	(17,075)
Depreciation charge	(37,072)	(204,972)	(40,570)	(282,614)
Depreciation on disposals	17,075	—	—	17,075
Closing net book amount	**70,398**	**324,538**	**1,847**	**396,783**
At 31 December 2022				
Cost or valuation	406,566	1,133,881	364,057	1,904,504
Accumulated depreciation	(336,168)	(809,343)	(362,210)	(1,507,721)
Net book amount	**70,398**	**324,538**	**1,847**	**396,783**

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FOR THE YEAR ENDED 31 DECEMBER 2022

13. INTANGIBLE ASSETS

Group and Company

	Patents £	Internally generated software development costs £	Other £	Total £
Cost				
At 1 January 2021 and 31 December 2022	1,688,712	2,240,884	351,935	4,281,531
Accumulated amortisation and impairment				
At 1 January 2021 and 1 January 2022	(1,688,712)	(2,240,884)	(351,935)	(4,281,531)
Amortisation charge	—	—	—	—
At 31 December 2022	**(1,688,712)**	**(2,240,884)**	**(351,935)**	**(4,281,531)**
Net book value				
Cost	1,688,712	2,240,884	351,935	4,281,531
Accumulated amortisation and impairment	(1,688,712)	(2,240,884)	(351,935)	(4,281,531)
At 31 December 2021	—	—	—	—
Cost	1,688,712	2,240,884	351,935	4,281,531
Accumulated amortisation and impairment	(1,688,712)	(2,240,884)	(351,935)	(4,281,531)
At 31 December 2022	**—**	**—**	**—**	**—**

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 (2021: £nil) and the Mirriad brand acquired as part of the same transaction, which has a carrying value of £nil (2021: £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 2022. Accordingly the income statement includes £3,957,496 (2021: £3,373,193) 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	
	2022 **£**	2021 £	**2022** **£**	2021 £
Trade receivables – net	**1,647,801**	955,732	**217,520**	54,393
Other debtors	**315,502**	381,451	**165,047**	204,910
Accrued income	**17,844**	155,713	**608**	—
Intercompany balances	**—**	—	**—**	101,105
Prepayments	**427,601**	562,218	**320,595**	238,073
	2,408,748	2,055,114	**703,770**	598,481
Less non-current portion: other debtors	**(187,657)**	(162,962)	**(162,962)**	(162,962)
Current portion	**2,221,091**	1,892,152	**540,808**	435,519

14. TRADE AND OTHER RECEIVABLES CONTINUED

As at 31 December 2022 the total accrued revenue balance related to contract assets was £17,844 (2021: £155,713). Trade receivables are stated after an expected credit loss reserve, as required by IFRS 9, of £46,262 (2021: £46,981). As of 31 December 2022, trade receivables of £17,373 (2021: £432,713) were past due but not impaired. These relate to two customers, none of which have a recent history of default. The ageing history of these trade receivables is as follows:

	2022 £	2021 £
Up to three months	**8,135**	271,386
Three to six months	**9,238**	156,592
Over six months	**–**	4,735
Total	**17,373**	432,713

15. TRADE AND OTHER PAYABLES AND PROVISIONS

	Group		Company	
	2022 £	2021 £	**2022 £**	2021 £
Trade creditors	**836,577**	492,974	**200,860**	358,730
Current tax liabilities	**14,330**	2,481	**–**	–
Deferred income	**13,604**	95,571	**–**	–
Other taxation and social security	**210,142**	198,370	**203,735**	189,815
Intercompany balances	**–**	–	**220,892**	–
Accruals	**1,843,988**	2,079,858	**946,765**	1,125,720
Provisions	**198,199**	–	**–**	–
Total	**3,116,840**	2,869,254	**1,572,252**	1,674,265

As at 31 December 2022 £11,089 of the total deferred revenue balance (contract liabilities) related to Bell Media (2021: £nil). This will all be recognised in 2023. At the end of December 2021 the largest individual deferred revenue balance was £82,220, related to Tencent. Provisions includes known and estimated expenses related to the closure of the China office.

16. FINANCIAL INSTRUMENTS

The Group has the following financial instruments:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost:		
– Trade debtors	**1,647,801**	955,732
– Other debtors	**266,168**	429,293
Total	**1,913,969**	1,385,025
Financial liabilities measured at amortised cost:		
– Trade creditors	**836,577**	492,974
– Lease liabilities	**529,389**	629,818
Total	**1,365,966**	1,122,792

None of the financial assets are considered to be impaired.

The Group has no financial assets at fair value through the income statement (2021: nil) and no financial assets that are equity instruments measured at cost less impairment (2021: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	2022 £	2021 £
Trade receivables		
Counterparties without external credit rating:		
Group 1	**861,470**	648,738
Group 2	**786,331**	306,994
Group 3	**—**	—
Total unimpaired trade receivables	**1,647,801**	955,732
Cash at bank and short-term bank deposits:		
A1	**6,477,085**	13,720,249
A2	**327,059**	10,073,062
Aa3	**4,033,943**	—
Baa3	**451,034**	707,645
	11,289,121	24,500,956
Cash in hand	**2**	258
Total cash and cash equivalents	**11,289,123**	24,501,214

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 £	Deferred shares £	Total share capital £	Share premium £	Total £
At 1 January 2021	2,790	49,898	52,688	65,710,297	65,762,985
Proceeds from shares issued	2	—	2	44,369	44,371
At 31 December 2021	2,792	49,898	52,690	65,754,666	65,807,356
Proceeds from shares issued	—	—	—	—	—
At 31 December 2022	**2,792**	**49,898**	**52,690**	**65,754,666**	**65,807,356**

Ordinary Shares of £0.00001 each

Allotted and fully paid	Number
At 1 January 2022	279,180,808
Issued during the year	—
At 31 December 2022	**279,180,808**

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

17. SHARE CAPITAL AND PREMIUM CONTINUED

Deferred shares of £0.025 each

Allotted and fully paid	Number
At 1 January 2022	1,995,936
Issued during the year	–
At 31 December 2022	**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 £
At 1 January 2021	2,850,571
Share-based payments recognised as expense	814,954
At 31 December 2021	3,665,525
At 1 January 2022	3,665,525
Share-based payments recognised as expense	1,241,330
At 31 December 2022	**4,906,855**

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 £
At 1 January 2021	(143,298)
Translation loss for the year	(216,756)
At 31 December 2021	(360,054)
At 1 January 2022	(360,054)
Translation income for the year	43,782
At 31 December 2022	**(316,272)**

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 2022, the Group and Company recognised a share-based payment expense of £1,241,330 (2021: £814,954). 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.

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:

- 3,530,705 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.
- 3,462,453 options at market value which are exercisable three years from the date of grant. These new 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 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. None of these options were exercised during the year (2021: 125,000).
- 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.
- 995,453 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.
- 198,039 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.
- 1,470,598 options at market value which fully vest and are exercisable two years from the date of grant.

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

In the year ended 31 December 2022, the Company granted 3,980,455 (2021: 1,714,008) share options under the Unapproved Scheme.

No Unapproved options were exercised during the year (2021: 125,000).

20. SHARE-BASED PAYMENTS CONTINUED

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 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.

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 2022, the Company granted 1,028,310 (2021: 4,967,393) share options under the EMI Scheme.

No EMI options were exercised during the year (2021: 63,917).

2,470,862 EMI options lapsed during the year (2021: 1,863,917).

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

	2022		2021	
	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	**0.23**	**11,082,001**	0.14	8,042,442
Granted	**0.21**	**1,028,310**	0.34	4,967,393
Exercised	**—**	**—**	(0.35)	(63,917)
Forfeited	**(0.29)**	**(2,470,862)**	(0.14)	(1,863,917)
At 31 December	**0.21**	**9,639,449**	0.23	11,082,001
Unapproved Scheme				
Outstanding at 1 January	**0.18**	**19,238,953**	0.17	17,649,945
Granted	**0.25**	**3,980,455**	0.36	1,714,008
Exercised	**—**	**—**	(0.20)	(125,000)
Forfeited	**(0.31)**	**(1,367,919)**	—	—
At 31 December	**0.19**	**21,851,489**	0.18	19,238,953

Out of the 9,639,449 outstanding EMI Scheme options (2021: 11,082,001), 1,402,543 options (2021: 1,622,543) were exercisable. The weighted average exercise price of the outstanding share options under the EMI Scheme at 31 December 2022 was £0.21 (2021: £0.23).

Out of the 21,851,489 outstanding Unapproved Scheme options (2021: 19,238,953), 8,035,500 options (2021: 7,052,787) were exercisable. The weighted average exercise price of the outstanding share options under the Unapproved Scheme at 31 December 2022 was £0.19 (2021: £0.18).

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FOR THE YEAR ENDED 31 DECEMBER 2022

20. SHARE-BASED PAYMENTS CONTINUED

EMI Scheme continued

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 2022	Share options 2021
2015–18	Unapproved	20 Aug 2025	0.30	**631,053**	732,836
2016–19	Unapproved	16 Dec 2026	0.62	**1,126,652**	1,280,535
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	**569,210**	789,210
2019–22	Unapproved	16 May 2029	0.0625	**690,000**	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	**3,462,453**	3,802,453
2020–23	EMI	18 May 2030	0.15	**4,121,287**	4,492,065
2020–22	Unapproved	19 Jun 2030	0.176	**250,000**	250,000
2020–22	Unapproved	29 Jun 2030	0.204	**125,000**	125,000
2021–23	Unapproved	28 May 2031	0.47	**150,120**	200,000
2021–23	Unapproved	1 Jun 2031	0.475	**250,000**	—
2021–23	Unapproved	25 Aug 2031	0.31	**750,000**	—
2021–25	Unapproved	1 Nov 2031	0.34	**802,596**	984,596
2021–23	Unapproved	1 Nov 2031	0.34	**198,039**	529,412
2021–23	EMI	1 Nov 2031	0.34	**735,294**	1,470,588
2021–25	EMI	1 Nov 2031	0.34	**2,543,115**	3,496,805
2022–24	Unapproved	17 Jan 2032	0.265	**250,000**	—
2022–24	EMI	6 Jun 2032	0.21	**405,710**	—
2022–24	Unapproved	6 Jun 2032	0.21	**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**	—
Total				**31,490,938**	30,320,954

* 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 £0.21 per option (2021: £0.34). The weighted average fair value of the options granted under the Unapproved Scheme during the year under this model was £0.25 per option (2021: £0.36). The principal assumptions underlying the valuation of the options granted during the year at the date of grant are as follows:

20. SHARE-BASED PAYMENTS CONTINUED

EMI Scheme continued

	2022	2021
EMI Scheme		
Weighted average share price at grant date	**£0.21**	£0.34
Weighted average exercise price at grant date	**£0.21**	£0.34
Expected volatility	**94.20%**	152.2%
Expected life	**6.5 years**	6.5 years
Risk-free rate	**2.49%**	1.20%
Unapproved Scheme – non-performance options		
Weighted average share price at grant date	**£0.25**	£0.36
Weighted average exercise price at grant date	**£0.25**	£0.36
Expected volatility	**96.0%**	153.0%
Expected life	**6.5 years**	6.5 years
Risk-free rate	**2.00%**	1.21%

21. CASH USED IN OPERATIONS

		Group		Company	
	Note	2022 £	2021 £	2022 £	2021 £
Loss for the financial year		**(15,100,823)**	(10,972,472)	**(15,345,826)**	(11,325,185)
Adjustments for:					
Tax on loss on ordinary activities	10	**(491,888)**	(1,047,771)	**(531,418)**	(1,075,541)
Interest income	8	**(71,875)**	(9,907)	**(69,409)**	(7,275)
Lease interest costs	8	**22,512**	10,768	**13,143**	6,094
Operating loss		**(15,642,074)**	(12,019,382)	**(15,933,510)**	(12,401,907)
Depreciation of right-of-use assets	12	**302,804**	299,931	**204,972**	201,457
Depreciation of other tangible assets	12	**136,923**	140,459	**77,642**	111,214
Bad debts (reversed)/written off		**(890)**	1,309	**(114)**	763
Impairment of investment in subsidiary	9	**—**	—	**768,147**	—
Share-based payment charge	20	**1,241,330**	814,954	**1,241,330**	814,954
Adjustments to tax credit in respect of previous years	10	**2,041**	(13,628)	**2,041**	(13,628)
Research and development expenditure credits		**—**	(27,066)	**—**	(27,066)
Foreign exchange variance		**43,782**	(216,756)	**—**	—
Movement in provisions		**198,199**	—	**—**	—
(Increase)/decrease in debtors		**(336,799)**	(372,221)	**(105,175)**	49,193
Increase/(decrease) in creditors		**37,538**	941,604	**(102,013)**	483,922
Cash flow used in operations		**(14,017,146)**	(10,450,796)	**(13,846,680)**	(10,781,098)

22. CAPITAL AND OTHER COMMITMENTS

The Group had no capital and other commitments as at 31 December 2022 or for the year ended 31 December 2021.

23. RELATED PARTY TRANSACTIONS

The Group is owned by a number of investors, the largest being M&G Investment Management, which owns approximately 13% of the share capital of the Company (2021: 13%). 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

There were no transactions with Directors during the year (2021: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

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 appoints a Director of the Group charged Mirriad Advertising plc for the following transactions during the year: (1) £9,556 for the services of Kelsey Lynn Skinner as a Director during the year for the period from 1 January 2022 until 23 June 2021 (2021: £16,667). All of this amount was invoiced and paid as at 31 December 2022; (2) £10,444 for the services of Lois Day as a Director during the year for the period from 23 June 2022 to 31 December 2022 (2021: £nil). £1,667 of this amount is accrued and unpaid as at 31 December 2022. £1,667 of this amount was invoiced and unpaid as at 31 December 2022, and subsequently paid on 26 January 2023; and (3) £3,000 for the services of the Company Secretary for the period from 1 January 2022 to 31 March 2022 (2021: £12,000). All of this amount was invoiced and paid as at 31 December 2022.

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) £20,000 for the services of Alastair Kilgour as a Director during the year (2021: £20,000). £1,667 of this amount is accrued and unpaid as at 31 December 2022. £1,667 of this amount was invoiced and unpaid as at 31 December 2022, and subsequently paid on 26 January 2023.

All the related party transactions disclosed above were settled by 31 December 2022 except where stated.

During the year ended 31 December 2022, 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 54 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	
	2022 £	2021 £	**2022 £**	2021 £
Current	**322,401**	217,825	**271,600**	158,433
Non-current	**206,988**	411,993	**157,008**	411,993
Total	**529,389**	629,818	**428,608**	570,426

Future minimum lease payments as at 31 December 2022 are as follows:

	Group		Company	
	2022 £	2021 £	**2022 £**	2021 £
No later than one year	**322,401**	213,426	**271,600**	158,433
Later than one year and no later than five years	**212,536**	430,033	**158,433**	430,033
Total gross payments	**534,937**	643,459	**430,033**	588,466
Impact of finance expenses	**(5,548)**	(13,641)	**(1,425)**	(18,040)
Carrying amount of liability	**529,389**	629,818	**428,608**	570,426

25. EVENTS AFTER THE REPORTING PERIOD

On 16 May 2023 the Company announced a successful placing that raised £5.75 million, before fees, £5.2 million after fees, together with an Open Offer which may bring in additional funds. These funds were received prior to the approval of these financial statements.

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 a.m. on 30 June 2023 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 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 (the "Company") will be held at the offices of Osborne Clarke LLP, 6th Floor, One London Wall, London EC2Y 5EB at 10 a.m. on 30 June 2023 for the purposes of considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions and Resolution 9 will be proposed as a special resolution.

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 2022.
2. To receive and approve the Remuneration Report contained within the report and accounts for the year ended 31 December 2022.
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 of the Company (the "Directors") to fix the remuneration of the auditors.
5. To elect Ms. Nicole McCormack as a Director of the Company in accordance with the articles of association of the Company.
6. To elect Ms. JoAnna Foyle as a Director of the Company in accordance with the articles of association of the Company.
7. To re-elect Mr. Bob Head as a Director of the Company who retires in accordance with the articles of association of the Company.

SPECIAL BUSINESS

8. 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 £1,791.71 (such amount to be reduced by the nominal amount of any allotment or grants made under paragraph (b) below that are in excess of £1,791.71); and further.

   (b) allot equity securities of the Company (as defined in section 560 of the Act) up to an aggregate nominal amount of £3,583.43 (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 8 had not expired.

SPECIAL BUSINESS CONTINUED

9. That, if Resolution 8 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 8, 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,

   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; and

   (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £537.51,

   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
6 June 2023

REGISTERED OFFICE

6th Floor
One London Wall
London
EC2Y 5EB

Registered in England and Wales No. 09550311

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 2022.

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.

Resolutions 5–6 – Election of Nicole McCormack and JoAnna Foyle

These resolutions concern the election of Nicole McCormack and JoAnna Foyle who were appointed to the Board since the last Annual General Meeting. Lois Day, who was also appointed to the Board since the last Annual General Meeting, is not standing for election at the Annual General Meeting.

Resolution 7 – Re-election of Bob Head

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

Resolution 8 – 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 £1,791.71, representing approximately 33.33% of the nominal value of the issued Ordinary Share capital of the Company assuming that the placing and open offer, as described in circular issued by the Company on 16 May 2023, are successful and assuming take-up in full of the Open Offer by Qualifying Shareholders. 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 £3,583.43, representing approximately 66.66% of the nominal value of the issued Ordinary Share capital of the Company assuming that the placing and open offer, as described in circular issued by the Company on 16 May 2023, are successful and assuming take-up in full of the Open Offer by Qualifying Shareholders. This additional authority may be only applied to fully pre-emptive issues.

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.

Resolution 9 – Directors' power to issue shares for cash

This resolution authorises 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). The relevant circumstances are either where the allotment takes place in connection with a fully pre-emptive offer or the allotment is limited to a maximum nominal amount of £537.51, representing approximately 10% of the nominal value of the issued Ordinary Share capital of the Company assuming that the placing and open offer, as described in circular issued by the Company on 16 May 2023, are successful and assuming take-up in full of the Open Offer by Qualifying Shareholders. Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of the resolution, whichever is the earlier.

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, resolution 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 power proposed to be granted by resolution 9 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

Unless revoked, varied or extended, the authorities conferred by resolution 9 will expire at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of the resolution, 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 only to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or in accordance with the replied paid details, by 10 a.m. on 28 June 2023 (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 28 June 2023 (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 2023 (being the last business day prior to the publication of this notice of meeting) the Company's issued share capital consisted of 279,180,808 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 2023 were 279,180,808.
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 10am on 28 June 2023. 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.
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.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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

David Dorans
Chief Financial Officer

Alastair Kilgour
Non-executive Director

Bob Head
Non-executive Director

Lois Day
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
7 More London Riverside
London
SE1 2RT

SOLICITORS

Osborne Clarke LLP
6th Floor
One London Wall
London
EC2Y 5EB

COMPANY SECRETARY

Jamie Allen

NOMINATED ADVISER AND BROKER

Panmure Gordon (UK) Limited
40 Gracechurch Street
London
EC3V 0BT

FINANCIAL PR

Charlotte Street Partners Limited
16 Alva Street
Edinburgh
EH2 4QG

REGISTRARS

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

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Mirriad Advertising plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Amadeus Silk, an FSC® certified material. This document was printed by Pureprint Group using its environmental print technology, with 99% of dry waste diverted from landfill, minimising the impact of printing on the environment. The printer is a CarbonNeutral® company.

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Mirriad Advertising plc
96 Great Suffolk Street
London
SE1 0BE