

## Chairman's statement

Roger Conant Faxon, Non-executive Chairman

*Delivering a new advertising solution at*

# GLOBAL SCALE

*is our purpose*



I am delighted to present the first Annual Report and Accounts for Mirriad Advertising plc following the Company's successful admission to AIM on 19 December 2017.

### Key events

As a result of the IPO, the Company raised net proceeds of £23.7 million. The fundraise has empowered the Company to expand the Group's activities in its five target markets – China, India, the US, Brazil and Germany – the world's largest and fastest growing advertising markets.

The funds raised in the IPO allow the Group to enter 2018 well capitalised, with a strong balance sheet enabling the Group to credibly demonstrate longevity to its customers, who are principally large digital distributors and broadcasters. The Group has made significant progress over the last few months since the IPO in rolling out its platform and technology with these customers which we believe will pave the way for revenue growth later in 2018 and beyond.

In the last quarter of 2017 the Group delivered its single biggest campaign. On behalf of Tangeche, a major China-based car leasing firm, Mirriad embedded brand images and messages in over 200 episodes of video content over a five month period. This campaign both from its size and effectiveness is a clear example of the efficacy of Mirriad's audience based model.

The momentum has continued into the new year with the signing of two landmark contracts with Univision and NBCU in the North American market and renewing an important contract with Youku/Alibaba in the Chinese market. While the Group's contracts do not guarantee an immediate flow of revenue they are critical markers of future success.

### Our people

People are our greatest asset and sit at the core of Mirriad. Our team of experts and specialists have developed all of our intellectual property, our business processes and know-how that form the basis for our unique proposition. Our proprietary technology gives us a competitive advantage in the advertising industry. As a consequence the majority of the Group's expenditure is on staff and staff related costs. During the year the average

number of employees increased from 74 to 91 as we continued to expand the Group's technology group and started to build out our marketing and product teams.

We now have staff in place to serve our partners in China (Shanghai), Brazil (São Paulo), India (Mumbai), the United States (New York) and Europe (London). To build efficiency each of these offices is linked to provide support to each other guided by the centre in London.

I would like to express the gratitude of the Board to all our staff, both longer serving and more recently joined, who have contributed to the development of the business. I have been impressed with their dedication and hard work while we have been putting in place the conditions for future growth. The demands on the team are unlikely to lessen as we target growth in our key markets. Retention and recruitment will be key to the Group's future success. The Board is confident that the Company will be able to recruit the staff that will be needed to meet future challenges.

### Focus

The Group is putting the foundations in place now to enable meaningful revenue growth in the future. This requires relentless focus and a need to remain on strategy. Developing large enterprise clients takes time and patience and requires the Group to remain flexible in how it serves their needs while continuing to assure the effectiveness of our business model.

The Board is confident that the Group can scale revenues by ensuring that its key customers are provided with the transactional tools and training needed to facilitate in-video advertising. This is why the Group has spent considerable time and resource in developing a transactional tool which we call Marketplace. With relatively low levels of capital expenditure, the development of Marketplace and the potential to demonstrate the impact of in-video advertising to broadcasters and digital distributors, we are confident in the Group's ability to drive significant growth in the coming year and beyond.

The Company's first public AGM will be held on 13 June 2018.

**Roger Conant Faxon**  
Non-executive Chairman  
9 May 2018