Independent auditors' report

To the members of Mirriad Advertising plc

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2017 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union and, as regards the Company's financial statements, 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 and financial statements, which comprise: the consolidated and Company balance sheet as at 31 December 2017; the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the Company statement of changes in equity and the consolidated and Company statement of cash flows for the year ended 31 December 2017; 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.

Our audit approach

Context

Mirriad Advertising plc listed on the Alternative Investment Market as of 19 December 2017. This resulted in a number of changes being required to occur within the business including a change in GAAP from FRS 102 to IFRS as adopted by the European Union. The listing on the Alternative Investment Market provided Mirriad Advertising plc with the additional funding it required to continue onto its next stage of growth. The business has again expanded into overseas territories, with an entity established in Brazil during the year ended 31 December 2017.

Overview

- Overall the Group materiality: £553,000 (2016: £702,325), based on 5% of loss before tax.
- Overall the Company materiality: £448,000 (2016: £417,646), based on 5% of loss before tax.
- We identified two significant components within the Mirriad Advertising plc Group: Mirriad Advertising plc ("Company") and Mirriad Inc.
- The UK and US entities were selected as significant components based on their large contributions to the overall Group loss before tax.
- Both the UK and US entities were audited by the Group audit team and no assistance was required from any component auditors.
- During our scoping procedures China was considered to have a significant revenue balance and brought into scope. Only the revenue figure for China was selected and no other balance was brought into scope.
- The risk of fraud in revenue recognition (Group and parent).

Report on the audit of the financial statements *continued*

Our audit approach *continued*

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. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Fraud in revenue recognition • Fraud in revenue recognition is considered a key audit matter given the inherent nature of the business, as a recently listed technology company, with the primary objective to grow revenue and become profitable. • The majority of revenue is recognised once the native in-video advertising ("NIVA") service has been provided to the customer. The timing of when the service is delivered, and therefore when revenue is recognised, is not complex or judgemental. • The key risk is considered to be in relation to the existence of revenue – that a customer exists and the service has been provided.	• We have understood how management recognise and process revenue through performing a walkthrough of the revenue cycle; • We have obtained detailed revenue listings for the UK and China entities and agreed these to the general ledger; • We have tested a sample of revenue transactions to sales invoices and also to customer buy (purchase) orders and/or contracts and/or written communications; • We have tested a sample of the revenue transactions selected to subsequent customer cash receipts; and • We performed data analysis to identify potentially unusual journal entries impacting revenue and performed testing on those items. We found no material misstatements from our testing.

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 six 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 (Singapore) Pte. Ltd, Mirriad Software Science and Technology (Shanghai) Co. Ltd and Mirriad Brasil Tecnologias Para Midia Ltda. These four overseas entities (India, Singapore, China and Brazil) are not within our scoping based on their small impact to our materiality benchmark of Group loss before tax.

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. were the only reporting units that were required to be full scope, with the other four reporting units contributing less than 11% to loss before tax and 3% of Group total assets.

Other specified procedures were required for China as it contributed 50% of Group revenue. The revenue was scoped in as part of our audit procedures on top of the two full scope UK and US entities. No other balances in China were above the 15% threshold considered to be a significant balance to the Group audit.

Independent auditors' report *continued*

To the members of Mirriad Advertising plc

Report on the audit of the financial statements *continued*

Our audit approach *continued*

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:

	Group financial statements	Company financial statements
Overall materiality	£553,000 (2016: £702,325).	£448,000 (2016: £417,646).
How we determined it	5% of loss before tax.	5% of loss before tax.
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, loss before tax is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	Based on the benchmarks used in the Annual Report, loss before tax is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.

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 between £448,000 and £207,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £22,000 (Group audit) (2016: £35,116) and £22,000 (Company audit) (2016: £20,882) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2017 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.

Report on the audit of the financial statements *continued*

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, set out on page 19, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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 received 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.

Gareth Murfitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
9 May 2018

Consolidated statement of profit or loss

For the year ended 31 December 2017

	Note	**Year ended 31 December 2017 £**	Year ended 31 December 2016 £
Revenue	5	**874,191**	710,866
Cost of sales		**(180,587)**	(151,586)
Gross profit		**693,604**	559,280
Administrative expenses	6	**(12,067,393)**	(7,994,910)
Other operating income	6	**101,715**	141,225
Operating loss		**(11,272,074)**	(7,294,405)
Finance income	8	**776**	301
Loss before income tax		**(11,271,298)**	(7,294,104)
Income tax credit	10	**208,849**	142,887
Loss for the period/year		**(11,062,449)**	(7,151,217)
Loss per Ordinary Share – basic	11	**(19p)**	(18p)

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 2017

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Loss for the financial period/year	**(11,062,449)**	(7,151,217)
Other comprehensive expense		
Items that may be reclassified to profit or loss:		
Currency translation differences	**(14,088)**	(133,270)
Total comprehensive expense for the period/year	**(11,076,537)**	(7,284,487)

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 sheet
At 31 December 2017

		Group			Company		
	Note	**As at 31 December 2017 £**	As at 31 December 2016 £	As at 31 December 2015 £	**As at 31 December 2017 £**	As at 31 December 2016 £	As at 31 December 2015 £
Assets							
Non-current assets							
Property, plant and equipment	12	**425,874**	49,017	140,744	**379,603**	27,197	49,572
Intangible assets	13	**1,640,690**	1,621,500	1,736,403	**1,640,690**	1,621,500	1,736,403
Investments	9	**—**	—	—	**213,748**	11,796	—
Trade and other receivables	14	**212,960**	28,634	—	**162,960**	—	—
		2,279,524	1,699,151	1,877,147	**2,397,001**	1,660,493	1,785,975
Current assets							
Trade and other receivables	14	**1,074,274**	716,734	592,953	**526,610**	383,786	468,138
Tax receivable		**208,840**	184,241	41,354	**208,840**	184,241	41,354
Cash and cash equivalents		**26,383,690**	10,347,394	5,824,952	**25,875,205**	10,180,877	5,651,351
		27,666,804	11,248,369	6,459,259	**26,610,655**	10,748,904	6,160,843
Total assets		**29,946,328**	12,947,520	8,336,406	**29,007,656**	12,409,397	7,946,818
Current liabilities							
Trade and other payables	15	**2,054,603**	775,744	572,043	**1,726,942**	634,912	421,940
Total liabilities		**2,054,603**	775,744	572,043	**1,726,942**	634,912	421,940
Net assets		**27,891,725**	12,171,776	7,764,363	**27,280,714**	11,774,485	7,524,878
Equity and liabilities							
Equity attributable to owners of the parent							
Share capital	17	**50,917**	556	363	**50,917**	556	363
Share premium	17	**23,717,390**	22,401,586	10,901,926	**23,717,390**	22,401,586	10,901,926
Share-based payment reserve	18	**1,964,835**	289,564	97,517	**1,964,835**	289,564	97,517
Retranslation reserve	19	**(190,485)**	(176,397)	(43,127)	**—**	—	—
Retained earnings/ (accumulated losses)		**2,349,068**	(10,343,533)	(3,192,316)	**1,547,572**	(10,917,221)	(3,474,928)
Total equity		**27,891,725**	12,171,776	7,764,363	**27,280,714**	11,774,485	7,524,878

The financial statements on pages 24 to 59 were approved the Board of Directors on 8 May 2018 and signed on its behalf by:

Mark Sabin Tadeusz Popkiewicz
Chief Executive Officer

Mirriad Advertising plc

Company number: 09550311

Consolidated statement of changes in equity

For the year ended 31 December 2017

	Note	Share capital £	Share premium £	Share-based payment reserve £	Retranslation reserve £	Accumulated losses £	Total equity £
		Year ended 31 December 2016					
Balance at 1 January 2016		363	10,901,926	97,517	(43,127)	(3,192,316)	7,764,363
Loss for the financial year		—	—	—	—	(7,151,217)	(7,151,217)
Other comprehensive loss for the year	19	—	—	—	(133,270)	—	(133,270)
Total comprehensive loss for the year		—	—	—	(133,270)	(7,151,217)	(7,284,487)
Shares issued in lieu of consideration	17	2	111,735	—	—	—	111,737
Proceeds from shares issued	17	191	11,387,925	—	—	—	11,388,116
Share-based payments recognised as expense	20	—	—	192,047	—	—	192,047
Total transactions with shareholders recognised directly in equity		193	11,499,660	192,047	—	—	11,691,900
Balance at 31 December 2016		556	22,401,586	289,564	(176,397)	(10,343,533)	12,171,776

	Note	Share capital £	Share premium £	Share-based payment reserve £	Retranslation reserve £	(Accumulated losses)/retained earnings £	Total equity £
		Year ended 31 December 2017					
Balance at 1 January 2017		556	22,401,586	289,564	(176,397)	(10,343,533)	12,171,776
Loss for the financial year		—	—	—	—	(11,062,449)	(11,062,449)
Other comprehensive loss for the year	19	—	—	—	(14,088)	—	(14,088)
Total comprehensive loss for the year		—	—	—	(14,088)	(11,062,449)	(11,076,537)
Shares issued in lieu of consideration	17	1	52,543	—	—	—	52,544
Proceeds from shares issued	17	462	27,541,844	—	—	—	27,542,306
Share issue costs	17	—	(2,473,635)	—	—	—	(2,473,635)
Issue of deferred shares	17	49,898	(49,898)	—	—	—	—
Capital restructuring	17	—	(23,755,050)	—	—	23,755,050	—
Share-based payments recognised as expense	20	—	—	1,675,271	—	—	1,675,271
Total transactions with shareholders recognised directly in equity		50,361	1,315,804	1,675,271	—	23,755,050	26,796,486
Balance at 31 December 2017		**50,917**	**23,717,390**	**1,964,835**	**(190,485)**	**2,349,068**	**27,891,725**

Company statement of changes in equity
For the year ended 31 December 2017

	Note	Year ended 31 December 2016 Share capital £	Share premium £	Share-based payment reserve £	Accumulated losses £	Total equity £
Balance at 1 January 2016		363	10,901,926	97,517	(3,474,928)	7,524,878
Loss for the financial year		–	–	–	(7,442,293)	(7,442,293)
Total comprehensive loss for the year		–	–	–	(7,442,293)	(7,442,293)
Shares issued in lieu of consideration	17	2	111,735	–	–	111,737
Proceeds from shares issued	17	191	11,387,925	–	–	11,388,116
Share-based payments recognised as expense	20	–	–	192,047	–	192,047
Total transactions with shareholders recognised directly in equity		193	11,499,660	192,047	–	11,691,900
Balance at 31 December 2016		556	22,401,586	289,564	(10,917,221)	11,774,485

	Note	**Year ended 31 December 2017** Share capital £	Share premium £	Share-based payment reserve £	(Accumulated losses)/retained earnings £	Total equity £
Balance at 1 January 2017		556	22,401,586	289,564	(10,917,221)	11,774,485
Loss for the financial year		–	–	–	(11,290,257)	(11,290,257)
Total comprehensive loss for the year		–	–	–	(11,290,257)	(11,290,257)
Shares issued in lieu of consideration	17	1	52,543	–	–	52,544
Proceeds from shares issued	17	462	27,541,844	–	–	27,542,306
Share issue costs	17	–	(2,473,635)	–	–	(2,473,635)
Issue of deferred shares	17	49,898	(49,898)	–	–	–
Capital restructuring	17	–	(23,755,050)	–	23,755,050	–
Share-based payments recognised as expense	20	–	–	1,675,271	–	1,675,271
Total transactions with shareholders recognised directly in equity		50,361	1,315,804	1,675,271	23,755,050	26,796,486
Balance at 31 December 2017		**50,917**	**23,717,390**	**1,964,835**	**1,547,572**	**27,280,714**

Consolidated and Company statement of cash flows

For the year ended 31 December 2017

	Note	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Net cash from operating activities	21	**(7,709,471)**	(6,304,283)	**(8,110,560)**	(6,310,779)
Tax credit received		**184,250**	–	**184,250**	–
Interest received		**776**	301	**54**	–
Net cash used in operating activities		**(7,524,445)**	(6,303,982)	**(7,926,256)**	(6,310,779)
Cash flow from investing activities					
Investment in subsidiaries		**(201,953)**	–	**(201,953)**	–
Capitalisation of development costs		**(842,010)**	(520,607)	**(842,010)**	(520,607)
Purchase of tangible assets	12	**(466,627)**	(41,312)	**(405,565)**	(27,204)
Proceeds from disposal of tangible assets		**2,660**	227	**1,441**	–
Net cash used in investing activities		**(1,507,930)**	(561,692)	**(1,448,087)**	(547,811)
Cash flow from financing activities					
Proceeds from issue of Ordinary Share capital (net of costs of issue)	17	**25,068,671**	11,388,116	**25,068,671**	11,388,116
Net cash generated from financing activities		**25,068,671**	11,388,116	**25,068,671**	11,388,116
Net increase in cash and cash equivalents		**16,036,296**	4,522,442	**15,694,328**	4,529,526
Cash and cash equivalents at the beginning of the year		**10,347,394**	5,824,952	**10,180,877**	5,651,351
Cash and cash equivalents at the end of the year		**26,383,690**	10,347,394	**25,875,205**	10,180,877
Cash and cash equivalents consists of					
Cash at bank and in hand		**26,383,690**	10,347,394	**25,875,205**	10,180,877
Cash and cash equivalents		**26,383,690**	10,347,394	**25,875,205**	10,180,877

Notes to the consolidated financial statements

For the year ended 31 December 2017

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 periods presented.

1.1 Basis of preparation

The financial statements of Mirriad Advertising plc have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and with the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS 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

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

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

The cash flow projections are the sole responsibility of the Directors based upon their present plans, expectations and intentions. In this context, the Directors have prepared and considered cash flow projections for the Group for a period extending one year from the date of approval of these financial statements. Based on these cash flows the Directors are satisfied that the Group is able to meet its liabilities as and when they fall due for the foreseeable future and for a minimum period of 12 months from the date of these financial statements.

1.1.2 Conversion to IFRS

These financial statements, for the year ended 31 December 2017, are the first the Group has prepared in accordance with IFRS.

This note explains the principal adjustments made by the Group in restating its previously published FRS 102 financial statements as at and for the year ended 31 December 2016 and period ended 31 December 2015.

The main changes under IFRS are noted below and the impact on the income statement and balance sheet can be seen in note 25.

IAS 20 "Accounting for grants" has been applied to government grant income received in 2016 and 2015. Previously grant income was recognised when quarterly grant claims were actually submitted and the claim amount known, but this has been amended to recognise the grant income on an accruals basis over the period the grant costs were incurred.

IAS 38 "Intangible assets" has been implemented, which has led to capitalisation of staff costs related to development of computer software used by the business. Previously all such costs had been expensed through the income statement.

2. Accounting policies

2.1 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations

The following standards, amendments or interpretations, effective for the financial year beginning on or after 1 January 2017, have had no material impact on the Group or parent company:

- Amendments to IFRS 12: Annual improvements to IFRS 2014–2016 cycle – none of the Group interests are classified as held for sale, held for distribution to owners or as discontinued operations in accordance with IFRS 5.
- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses – There are no unrealised losses on debt instruments and no carrying deferred tax asset.
- Amendments to IAS 17: Disclosure initiative – there are no significant changes in liabilities arising from financing activities which need disclosing in the statement of cash flows.

(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 2017, and have not been applied in preparing this historical financial information. None of these are expected to have a significant effect on the financial statements of the Group or parent company, as set out below:

- IFRS 15 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of historical financial information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU endorsement.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

2. Accounting policies *continued*

2.1 Changes in accounting policy and disclosures *continued*

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

The impact of IFRS 15 has been reviewed by management against the criteria of the new standard for the four largest main client agreements generating 88% of revenue in 2017, and the Company believes that there are no major differences between contracts from a revenue recognition viewpoint. As a result of this exercise no changes are expected to be required to revenue recognised to date. Most of the Group's client contracts do not specify revenue values but provide a framework within which individual work to produce campaigns and revenues are agreed and executed. The revenue on such campaigns is currently recognised on a monthly basis depending on campaign progress and ad units delivered to the client, as a proportion of the total campaign goals or agreed fee. This matches the process of the "assets" generated from the campaigns being transferred to the client, for which the Group is entitled to revenue as the "assets" are produced. Where a fixed or minimum revenue value is specified in the contract, this is recognised over the duration of the agreement in line with the agreed performance criteria where these have been specified.

- IFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of historical financial information about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on the balance sheet for lessees. The standard replaces IAS 17 "Leases" and related interpretations. The standard is effective for annual periods beginning on or after 2019 and earlier adoption is permitted, subject to EU endorsement and the entity adoption of IFRS 15 "Revenue from contracts with customers" at the same time. The full impact of IFRS 16 has not yet been assessed, but the Group expects this to increase assets and lease liabilities.
- IFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different from that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement.

  IFRS 9 requirements have been assessed by management and deemed to have no material impact on the Group. There are no complex financial instruments, derivatives or hedges in place, and the only items held by the Group covered by IFRS 9 are cash balances, trade related receivables and payables and accruals. Such items are recognised at their transaction value. Although there are differences in the basis of debtors provisioning this is not expected to have a material impact.

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 2017, and the prior year to 31 December 2016. As these are the first financial statements for the Group under IFRS a balance sheet for the period ended 31 December 2015 has also been reported, as per the requirements of IFRS 1.

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.

2. Accounting policies *continued*

2.3 Consolidation *continued*

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); and

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

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, returns and value added taxes. Revenue represents the value (excluding value added tax) of fees for the services provided. All Group revenue comes from the primary business activity of providing native in-video advertising ("NIVA") 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. Revenue is recognised when the services have been delivered and provided to customers in accordance with contractual terms and conditions and there are no further obligations attached.

Most of the Group's client contracts do not specify revenue values but provide a framework, and normally a share of customer revenue, within which individual work to produce campaigns and revenues are agreed and executed. The exact revenue for each campaign is set out in the relevant insertion (purchase) order which shows the agreed number of advertising units or insertions to be delivered.

The revenue on such campaigns is currently recognised on a monthly basis depending on campaign progress and ad units delivered to the client, as a proportion of the total campaign goals or agreed fee. This matches the process of the "assets" generated from the campaigns being transferred to the client, for which the Group is entitled to revenue as the "assets" are produced.

Where a fixed or minimum revenue value is specified in the contract, this is recognised over the duration of the agreement in line with the agreed performance criteria where these have been specified.

2.6 Cost of sales

Cost of sales comprises costs directly related to the ad delivery team in India, which performs the integration work of the creative imagery (our embed) into the original content and quality control of the end result. All other staff costs are included in administrative costs below gross profit.

2.7 Other operating income

Other operating income relates to income received from government grants.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

2. Accounting policies *continued*

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 period 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 period 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 period 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 period/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.

2.11 Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2.12 Employee benefits

(i) Pension

The Company operates a defined contribution pension scheme for UK 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 Company has no further payment obligation once the contributions have been made.

(ii) Annual bonus plan

The Company 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 Company 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.

2.13 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 Company takes into account non-market-based factors and the expected attrition of employees over the period.

Fair value is determined using the Black-Scholes model and requires several assumptions and estimates as disclosed in note 20.

2.14 Property, plant and equipment

Tangible fixed 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.

2. Accounting policies *continued*

2.14 Property, plant and equipment *continued*

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 Company's business, and the rates are as follows:

- Fixtures, fittings and computer equipment – 3 years
- Leasehold improvements – 5 years

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 programmes 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 period.

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

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 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 provision for impairment.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

2. Accounting policies *continued*

2.17 Cash and cash equivalents

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

2.18 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 receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.19 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.

2.20 Related party transactions

The Group discloses transactions with related parties which are not wholly owned with 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.

(a) Currency risk

The Group operates internationally and is exposed to foreign exchange risk from various currency exposures, primarily with respect to US Dollars, Indian Rupees, Singapore Dollars, Chinese Yuan and Brazilian Real. 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 December 2017 the revaluation loss on foreign subsidiary net assets recognised in the statement of comprehensive income was £14,088 (2016: £133,270).

Following the United Kingdom's vote to leave the European Union Sterling has been relatively volatile, and 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 2017				
Trade and other payables	**859,184**	**–**	**–**	**–**
As at 31 December 2016				
Trade and other payables	280,936	–	–	–

3. Financial risk management *continued*

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.

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 and to date no dividends have been paid.

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 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.

(i) Intangible assets

As part of the acquisition of the trade and assets of Mirriad Limited in May 2015 a fair value review exercise was carried out on the assets and liabilities being transferred. The Group also capitalises internally generated software development costs as described below.

Estimate on original value of acquired intangible assets – As part of the fair value review exercise, patents and other intangible assets were capitalised as intangible assets based on their estimated fair values at the time. Following the fair value exercise it was noted that the effective consideration paid was lower than the assets being acquired so a negative goodwill balance was recognised and then fully written off in 2015.

Estimate on the useful life of acquired intangible assets – The intangible assets are being amortised over their expected useful life, being four years. No residual value is expected at the end of the useful life for any of the intangible assets. The assessment of the useful life requires management judgement. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

Judgement on when capitalisation of internally generated software begins and ends – Internally generated software development costs have also been capitalised, which are principally employer payroll costs. Such costs are only capitalised to the extent that they relate to an identifiable asset that is expected to generate future economic benefits, can be reliably measured and relate to the development phase of the software creation. Costs related to the research phase or subsequent maintenance are not capitalised.

Estimate on the useful life of internally generated software – The intangible assets are being amortised over their expected useful life, being three years. No residual value is expected at the end of the useful life for any of the intangible assets. The assessment of the useful life requires management judgement. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

(ii) Share-based payments

The Group 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. Further details of the Group's estimation of share-based payments are disclosed in note 20.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

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, Brazil, China and Singapore. The revenue is classified by where the sales were booked not by the geographic location of the customer. For this reporting purpose the Singapore and China entities are considered together.

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The steering committee is made up of the Board of Directors. There are no sales between segments. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement.

The parent company is domiciled in the United Kingdom. The amount of revenue from external customers by location of the Group billing entity is shown in the tables below.

Revenue	2017 £	2016 £
Turnover by geography		
China and Singapore	**450,864**	64,909
India	**248,356**	74,727
UK	**101,494**	520,655
USA	**43,733**	50,575
Brazil	**29,744**	—
Total	**874,191**	710,866

	2017 £	2016 £
Turnover by category		
Rendering of services	**874,191**	710,866
Total	**874,191**	710,866

Revenues from external customers by country, based on the destination of the customer	2017 £	2016 £
China	**455,962**	357,496
India	**251,023**	74,727
USA	**57,831**	58,101
Brazil	**29,744**	—
Italy	**33,036**	33,312
Germany	**23,444**	33,670
Other	**23,151**	33,262
Australia	—	64,622
Korea	—	55,676
Total	**874,191**	710,866

Revenues of £455,962 (2016: £327,056) are derived from a single external customer. These revenues are attributable to a customer based in China. The next largest customer, based in India, had revenues of £248,564 (2016: £53,026).

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:

	2017 £	2016 £
UK	**(6,880,824)**	(3,880,044)
USA	**(2,245,660)**	(1,730,760)
India	**(404,369)**	(425,901)
China and Singapore	**(656,009)**	(528,035)
Brazil	**(172,622)**	—
Total EBITDA	**(10,359,484)**	(6,564,740)
Depreciation	**(89,770)**	(133,039)
Amortisation	**(822,820)**	(596,626)
Finance income net	**776**	301
Loss before tax	**(11,271,298)**	(7,294,104)

2016	Depreciation £	Amortisation £	Income tax credit £	Finance income net £
UK	(48,747)	(596,626)	142,887	—
USA	(2,567)	—	—	—
India	(79,896)	—	—	301
China and Singapore	(1,829)	—	—	—
Brazil	—	—	—	—
Total	(133,039)	(596,626)	142,887	301

2017	**Depreciation £**	**Amortisation £**	**Income tax credit £**	**Finance income net £**
UK	**(53,159)**	**(822,820)**	**208,849**	**54**
USA	**(3,891)**	**—**	**—**	**—**
India	**(30,084)**	**—**	**—**	**679**
China and Singapore	**(2,636)**	**—**	**—**	**43**
Brazil	**—**	**—**	**—**	**—**
Total	**(89,770)**	**(822,820)**	**208,849**	**776**

Non-current assets	2017 £	2016 £
UK	**2,183,252**	1,648,696
USA	**5,006**	7,814
India	**58,361**	36,529
China and Singapore	**32,905**	6,112
Brazil	**—**	—
Total	**2,279,524**	1,699,151

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

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

5. Segment information *continued*

Total assets	2017 £	2016 £
UK	**28,793,908**	12,397,601
USA	**266,436**	187,911
India	**371,183**	259,491
China and Singapore	**357,366**	102,517
Brazil	**157,435**	—
Total	**29,946,328**	12,947,520

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

Liabilities	2017 £	2016 £
UK	**1,726,945**	634,913
USA	**141,730**	67,024
India	**137,429**	40,543
China and Singapore	**46,783**	33,264
Brazil	**1,716**	—
Total	**2,054,603**	775,744

6. Operating loss

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

	Note	2017 £	2016 £
Employee benefits	7	**6,905,025**	4,117,661
Depreciation of property, plant and equipment	12	**89,770**	133,039
Amortisation of intangible assets	13	**822,820**	596,626
Foreign exchange movements		**166,523**	(139,278)
Other general and administrative costs		**4,263,842**	3,438,448
Other operating income		**(101,715)**	(141,225)
Total cost of sales, administrative expenses and other operating income		**12,146,265**	8,005,271

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

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

	2017 £	2016 £
Audit fees	**42,000**	21,000
Audit related assurance services	**453,250**	–
Taxation compliance services	**5,000**	8,750
Total	**500,250**	29,750

Non-audit fees payable to PricewaterhouseCoopers LLP were £458,250 (2016: £8,750). The audit related assurance services include assurance reporting on historical financial information included in the AIM listing admission document.

7. Employees
7.1 Employee benefit expense

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries and other benefits	**4,664,745**	3,583,742	**2,275,015**	1,665,553
Social security costs	**530,294**	327,517	**392,215**	214,453
Share options granted to Directors and employees	**1,675,271**	192,047	**1,675,271**	192,047
Pension costs	**34,715**	14,355	**34,715**	14,355
Total	**6,905,025**	4,117,661	**4,377,216**	2,086,408

All pension costs relate to the defined contribution scheme.

The key management are considered to be the Directors of the Company. In prior years the Chief Financial Officer was considered to also be a member of key management, but became a Director on 19 December 2017. Remuneration of Directors and key management is disclosed in the Remuneration Report.

7.2 Average number of people employed

By activity	Group 2017 Number	Group 2016 Number	Company 2017 Number	Company 2016 Number
Average monthly numbers of persons employed (including Directors) by the Company during the period/year was:				
Sales and account management	**13**	13	**3**	4
Ad operations and delivery	**42**	42	**7**	8
Research and development	**27**	15	**26**	15
Marketing and product	**3**	–	**1**	–
Management and administration	**6**	4	**6**	4
	91	74	**43**	31

8. Finance income and costs

Finance income	2017 £	2016 £
Interest on short-term deposit	**776**	301
Total	**776**	301

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

9. Investments

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

	2017 **£**	2016 £
Subsidiary undertakings	**213,748**	11,796
Total investments	**213,748**	11,796

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	Office No. 401 & 402 Palm Spring Centre, Link Road, above Croma, Malad (w), Mumbai-400 064	Provision of embedded advertising into video	India	100%
Mirriad Inc.	4th Floor 19 W24th Street, New York, NY 10001	Provision of embedded advertising into video	USA	100%
Mirriad (Singapore) Pte. Ltd.	8 Eu Tong Sen Street #16-87 The Central Singapore 059818	Provision of embedded advertising into video	Singapore	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 Brasil Tecnologias Para Midia Ltda*	Rua Padre João Manuel, 923, Conjunto 111, Sala 3, CEP 01411-001, São Paulo, Brazil	Provision of embedded advertising into video	Brazil	99.8%
Mirriad Limited	6th Floor, One London Wall, London EC2Y 5EB, United Kingdom	Dormant	UK	100%

* Mirriad Brasil Tecnologias Para Midia Ltda is fully owned by the Group, with Mirriad Inc. holding the remaining 0.2% of issued share capital.

The nominal value of issued shares for the companies is as follows:

- Mirriad Advertising Private Limited: 10,000 shares of 10 INR;
- Mirriad Inc: 1000 shares of $0.001 USD;
- Mirriad (Singapore) Pte. Ltd.: 25,000 shares of $1 SGD;
- Mirriad Software Science and Technology (Shanghai) Co. Ltd. registered capital is 600,000 CNY;
- Mirriad Brasil Tecnologias Para Midia Ltda: 600,000 shares of 1 BRL; and
- Mirriad Limited: 1 share of £0.01 GBP.

10. Income tax credit

Tax credit included in profit and loss	2017 £	2016 £
Current tax		
Research and development tax credit for the period/year	**(208,849)**	(142,887)
Total current tax	**(208,849)**	(142,887)
Deferred tax		
Origination and reversal of timing differences	**–**	–
Total deferred tax	**–**	–
Tax on loss	**(208,849)**	(142,887)

UK corporation tax credit relates to R&D tax credits received by the Group.

Reconciliation of tax charge

The tax assessed for the period is based on the standard rate of corporation tax in the UK of 19.25%. The differences are outlined below:

	2017 £	2016 £
Loss before tax	**(11,271,298)**	(7,294,104)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	**(2,169,725)**	(1,458,821)
Effects of		
Expenses not deductible for tax purposes	**1,002,999**	708,968
Enhanced R&D deduction	**(156,715)**	(111,396)
R&D tax credit receivable	**(208,849)**	(142,887)
Surrender of losses for R&D tax credit	**277,265**	197,086
Deferred tax not recognised on unutilised losses	**1,046,176**	664,163
Total tax credit for the period/year	**(208,849)**	(142,887)

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

	2017		
	Before tax £	**Tax (charge)/ credit £**	**After tax £**
Fair value losses			
Currency translation differences	**(14,088)**	**–**	**(14,088)**
Other comprehensive income	**(14,088)**	**–**	**(14,088)**

	2016		
	Before tax	Tax (charge)/ credit	After tax
Fair value losses			
Currency translation differences	(133,270)	–	(133,270)
Other comprehensive income	(133,270)	–	(133,270)

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

10. Income tax credit *continued*

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 (2016: £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.

	2017 **£**	2016 £
Deferred tax assets	**346,910**	346,910
Deferred tax liabilities	**(346,910)**	(346,910)
Net balances	**—**	—

Movements on the deferred tax asset

	2017 **£**	2016 £
At 1 January	**346,910**	367,316
Acquisition during the year	**—**	—
Impact of rate changes	**—**	(20,406)
At 31 December	**346,910**	346,910

Movements on the deferred tax liability

	2017 **£**	2016 £
At 1 January	**(346,910)**	(367,316)
Acquisition during the year	**—**	—
Impact of rate changes	**—**	20,406
At 31 December	**(346,910)**	(346,910)

There is an unrecognised deferred tax asset of £4,446,458 (2016: £3,276,040) in relation to the trading losses carried forward, provisions and future exercisable shares.

Unrecognised deferred tax has been calculated at 17%, reflecting the latest enacted rate. 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

The main rate of corporation tax was aligned with the small profits rate at 20% with effect from 1 April 2015. Changes to the UK corporation tax rates were enacted as part of the Finance (No.2) Act 2015, which received royal assent on 18 November 2015, and Finance Act 2016, which received royal assent on 15 September 2016. These include reductions to reduce the main rate to 19% from 1 April 2017 and 17% from 1 April 2020. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date as noted above.

11. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the loss for the period/year by the weighted average number of Ordinary Shares in issue during the year. Potential Ordinary Shares are not treated as dilutive as the Group is loss making and such shares would be anti-dilutive.

Group	2017	2016
Loss attributable to owners of the parent (£)	**(11,062,449)**	(7,151,217)
Weighted average number of Ordinary Shares in issue Number	**58,030,338**	40,466,430

The loss per share for the year was 19p (2016: 18p).

No dividends were paid during the year (2016: £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 £	Leasehold improvements £	Total £
At 1 January 2016			
Cost or valuation	251,331	–	251,331
Accumulated depreciation	(110,587)	–	(110,587)
Net book amount	140,744	–	140,744
Year ended 31 December 2016			
Opening net book amount	140,744	–	140,744
Additions	41,312	–	41,312
Disposals	(2,744)	–	(2,744)
Depreciation charge	(133,039)	–	(133,039)
Depreciation on disposals	2,744	–	2,744
Closing net book amount	49,017	–	49,017
At 31 December 2016			
Cost or valuation	289,899	–	289,899
Accumulated depreciation	(240,882)	–	(240,882)
Net book amount	49,017	–	49,017
Year ended 31 December 2017			
Opening net book amount	49,017	–	49,017
Additions	120,260	346,367	466,627
Disposals	(44,699)	–	(44,699)
Depreciation charge	(58,989)	(30,781)	(89,770)
Depreciation on disposals	44,699	–	44,699
Closing net book amount	**110,288**	**315,586**	**425,874**
At 31 December 2017			
Cost or valuation	365,460	346,367	711,827
Accumulated depreciation	(255,172)	(30,781)	(285,953)
Net book amount	**110,288**	**315,586**	**425,874**

As at 31 December 2017 there were no contractual commitments to purchase any further property, plant and equipment (2016: none).

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

12. Property, plant and equipment *continued*

Company

	Fixtures, fittings and computer equipment £	Leasehold improvements £	Total £
At 1 January 2016			
Cost or valuation	130,795	–	130,795
Accumulated depreciation	(81,223)	–	(81,223)
Net book amount	49,572	–	49,572
Year ended 31 December 2016			
Opening net book amount	49,572	–	49,572
Additions	27,205	–	27,205
Depreciation charge	(49,580)	–	(49,580)
Closing net book amount	27,197	–	27,197
At 31 December 2016			
Cost or valuation	158,000	–	158,000
Accumulated depreciation	(130,803)	–	(130,803)
Net book amount	27,197	–	27,197
Year ended 31 December 2017			
Opening net book amount	27,197	–	27,197
Additions	59,197	346,367	405,564
Disposals	(1,409)	–	(1,409)
Depreciation charge	(22,377)	(30,781)	(53,158)
Depreciation on disposals	1,409	–	1,409
Closing net book amount	**64,017**	**315,586**	**379,603**
At 31 December 2017			
Cost or valuation	215,788	346,367	562,155
Accumulated depreciation	(151,771)	(30,781)	(182,552)
Net book amount	**64,017**	**315,586**	**379,603**

13. Intangible assets
Group and Company

	Patents £	Internally generated software development costs £	Other £	Total £
Cost				
At 1 January 2016	1,688,712	38,651	351,935	2,079,298
Additions	—	481,723	—	481,723
At 31 December 2016	1,688,712	520,374	351,935	2,561,021
Additions	—	842,010	—	842,010
At 31 December 2017	**1,688,712**	**1,362,384**	**351,935**	**3,403,031**
Accumulated amortisation				
At 1 January 2016	(281,452)	(2,787)	(58,656)	(342,895)
Amortisation charge	(422,178)	(86,464)	(87,984)	(596,626)
At 31 December 2016	(703,630)	(89,251)	(146,640)	(939,521)
Amortisation charge	(422,178)	(312,658)	(87,984)	(822,820)
At 31 December 2017	**(1,125,808)**	**(401,909)**	**(234,624)**	**(1,762,341)**
Net book value				
Cost	1,688,712	520,374	351,935	2,561,021
Accumulated amortisation	(703,630)	(89,251)	(146,640)	(939,521)
At 31 December 2016	985,082	431,123	205,295	1,621,500
Cost	1,688,712	1,362,384	351,935	3,403,031
Accumulated amortisation	(1,125,808)	(401,909)	(234,624)	(1,762,341)
At 31 December 2017	**562,904**	**960,475**	**117,311**	**1,640,690**

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

Other intangibles above includes the technology acquired from Mirriad Limited, which has a carrying net book value of £13,264 (2016: £23,211) and the Mirriad brand acquired as part of the same transaction, which has a carrying value of £104,048 (2016: £182,084). These items are being 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 period. 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.

Despite the losses incurred, none of the intangible assets are deemed to be impaired. An impairment review was performed. This review demonstrated that the current Company value exceeds the assets and, as these intangibles are an integral part of the Company's operations, the Company is comfortable that there is no impairment.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

14. Trade and other receivables

	Group		Company	
	2017 **£**	2016 £	**2017** **£**	2016 £
Trade receivables – net	**203,609**	128,370	**19,768**	12,162
Other debtors	**556,629**	230,160	**501,849**	178,876
Accrued income	**237,208**	195,107	**—**	106,718
Prepayments	**289,788**	191,731	**167,953**	86,030
	1,287,234	745,368	**689,570**	383,786
Less non-current portion: other debtors	**(212,960)**	(28,634)	**(162,960)**	—
Current portion	**1,074,274**	716,734	**526,610**	383,786

Trade receivables are stated after a provision for impairment of £29,120 (2016: £29,120). As of 31 December 2017, trade receivables of £117,627 (2016: £121,254) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing history of these trade receivables is as follows:

	2017 **£**	2016 £
Up to three months	**34,224**	88,178
Three to six months	**50,480**	4,702
Over six months	**32,923**	28,374
Total	**117,627**	121,254

15. Trade and other payables

	Group		Company	
	2017 **£**	2016 £	**2017** **£**	2016 £
Trade creditors	**745,419**	185,320	**743,710**	183,925
Other taxation and social security	**113,765**	95,616	**108,777**	74,431
Accruals and deferred income	**1,195,419**	494,808	**874,455**	376,556
Total	**2,054,603**	775,744	**1,726,942**	634,912

Deferred income as at 31 December 2017 was £nil (2016: £33,036).

16. Financial instruments

The Group has the following financial instruments:

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost		
– Trade debtors	**203,609**	128,370
– Other debtors	**556,629**	230,160
Total	**760,238**	358,530
Financial liabilities measured at amortised cost		
– Trade creditors	**745,419**	185,320
– Other taxation and social security	**113,765**	95,616
Total	**859,184**	280,936

None of the financial assets are considered to be impaired.

The Group has no financial assets at fair value through the income statement (2016: nil), and no financial assets that are equity instruments measured at cost less impairment (2016: nil).

Derivative financial instruments

The Group has no interest rate derivative financial instruments.

Interest on bank loans and overdrafts are disclosed in note 8.

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:

	2017 £	2016 £
Trade receivables		
Counterparties without external credit rating		
Group 1	**12,000**	27,022
Group 2	**187,024**	82,566
Group 3	**4,585**	18,782
Total unimpaired trade receivables	**203,609**	128,370
Cash at bank and short-term bank deposits		
A1	**26,124,196**	10,260,344
Baa1	**73,062**	10,627
Ba2	**131,928**	–
Baa3	**54,099**	76,198
	26,383,285	10,347,169
Cash in hand	**405**	225
Total cash and cash equivalents	**26,383,690**	10,347,394

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.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

17. Share capital and premium

Share premium and nominal value of share capital

	Ordinary Shares £	Preference shares £	Deferred shares £	Total share capital £	Share premium £	Total £
At 1 January 2016	363	–	–	363	10,901,926	10,902,289
Proceeds from shares issued	87	104	–	191	11,387,925	11,388,116
Shares issued in lieu of consideration	–	2	–	2	111,735	111,737
At 31 December 2016	450	106	–	556	22,401,586	22,402,142
Proceeds from shares issued	1	21	–	22	1,360,972	1,360,994
Shares issued in lieu of consideration	–	1	–	1	52,543	52,544
Capital restructuring	–	–	–	–	(23,755,050)	(23,755,050)
Issue of deferred shares	–	–	49,898	49,898	(49,898)	–
Share conversion	128	(128)	–	–	–	–
EMI options exercised	31	–	–	31	786,843	786,874
Proceeds from IPO share issue	409	–	–	409	25,394,029	25,394,438
Share issue costs	–	–	–	–	(2,473,635)	(2,473,635)
At 31 December 2017	**1,019**	**–**	**49,898**	**50,917**	**23,717,390**	**23,768,307**

On 25 July 2017, 100,000 Ordinary Shares were issued for 62p per share as part of a £1.4 million fundraise from new investors.

The proceeds from shares issued figure above is net of transaction costs of £14,608 (2016: £50,909).

On 23 October 2017, the Company passed a resolution to reduce the share premium account by £23,755,050 as part of a capital reduction. As a result of the capital reduction, positive distributable reserves were created in preparation for the Company's admission to AIM.

On 17 November 2017, the Company used the share premium account to fund the issue of 1,995,936 deferred shares of £0.025 each totalling £49,898. More details on the deferred shares can be found below.

Ordinary Shares of £0.00001 each

Allotted and fully paid	Number
At 1 January 2017	44,974,546
Issued during the year	100,000
Conversion of preference shares	12,808,521
EMI options exercised	3,055,072
Issued at IPO	40,958,772
At 31 December 2017	**101,896,911**

On 7 December 2017, 3,055,072 Ordinary Shares were issued on the exercise of EMI options. Option holders were permitted to sell sufficient Ordinary Shares to cover the aggregate exercise price.

On 19 December 2017, 40,958,772 Ordinary Shares were issued for 62p per share as part of an IPO and admission to AIM, which raised £25.4 million.

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

Preference shares of £0.00001 each

Allotted and fully paid	Number
At 1 January 2017	10,605,063
Issued during the year	2,203,458
Conversion to Ordinary Shares	(12,808,521)
At 31 December 2017	**–**

17. Share capital and premium *continued*

Preference shares of £0.00001 each *continued*

On 25 July 2017, 2,203,458 preference shares were issued for 62p per share as part of a £1.4 million fundraise from new investors. This number includes 84,748 preference shares issued in lieu of consideration for corporate finance adviser services provided (as per note 23).

On 18 December 2017, 12,808,521 preference shares of £0.00001 each were converted to Ordinary Shares in advance of the Company's admission to AIM.

The preference shares are considered as equity and do not provide an obligation to pay dividends to the shareholders. On a distribution of assets on a liquidation or a return of capital the preference shareholders have priority before other classes of shares to receive repayment of capital.

Deferred shares of £0.025 each

Allotted and fully paid	Number
At 1 January 2017	–
Issued during the year	1,995,936
At 31 December 2017	**1,995,936**

On 21 November 2017, 1,995,936 deferred shares of £0.025 each were issued to existing shareholders and funded from the Company's share premium account totalling £49,898. The shares were issued on the basis of one new deferred share for every 29 existing Ordinary Shares and one new deferred share for every 29 preference shares.

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 payments reserve

	Group and Company £
At 1 January 2016	97,517
Share-based payments recognised as expense	192,047
At 31 December 2016	289,564
At 1 January 2017	289,564
Share-based payments recognised as expense	1,675,271
At 31 December 2017	**1,964,835**

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 options schemes in more detail.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

19. Retranslation reserve

	Group £
At 1 January 2016	(43,127)
Translation loss for the year	(133,270)
At 31 December 2016	(176,397)
At 1 January 2017	(176,397)
Translation loss for the year	(14,088)
At 31 December 2017	**(190,485)**

The other reserve contains the translation losses for the period/year which results 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 key 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. Fair value is determined using the Black-Scholes model. 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, 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 2017, the Group recognised a share-based payment expense of £1,675,271 (2016: £192,047). 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"). Under the Unapproved Scheme, options are granted to non-UK-based employees at an exercise price deemed to be market value of the shares. Under the EMI Scheme options are granted to UK-based employees at a fair value. In general, 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 ten years after the date of grant. The only exception were options issued in 2015 which vested immediately. Employees are not entitled to dividends until the shares options are exercised. Vesting of the options is subject to continued employment within the Group.

Both the Unapproved and EMI Scheme rules contained a provision whereby the normal three-year vesting schedule of the options will be accelerated on admission to AIM such that all subsisting options could be exercised either immediately prior to admission or during the 90 days following admission with the lapse of unexercised options occurring 90 days after admission. The Board resolved on 14 November to amend the rules for unapproved option holders to permit them to choose either to accept the accelerated vesting and exercise their options within 90 days of admission or to accept an amendment whereby unapproved options will continue to vest under their original vesting schedule. All employees elected to continue with the original vesting schedule.

The Chairman's unapproved options did accelerate on admission to AIM and are now fully vested. The Chairman's options are exercisable up to not less than five years following termination of office.

No unapproved options were exercised during the year (2016: nil).

20. Share-based payments *continued*

All the EMI option holders elected to exercise their options during the year (2016: nil), details of which can be found in the table below.

In the year ended 31 December 2017, the Company granted 1,759,677 (2016: nil) share options under the EMI Scheme and 2,046,294 (2016: 1,965,894) share options under the Unapproved Scheme. Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2017		2016	
	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	**0.30**	**1,548,971**	0.30	1,548,971
Reclassification of options	**0.30**	**(253,576)**	–	–
Granted	**0.23**	**1,759,677**	–	–
Exercised	**0.26**	**(3,055,072)**	–	–
At 31 December	**–**	**–**	0.30	1,548,971
Unapproved Scheme				
Outstanding at 1 January	**0.50**	**3,083,192**	0.30	1,524,429
Reclassification of options	**0.30**	**253,576**	–	–
Granted	**0.62**	**2,046,294**	0.62	1,965,894
Forfeited	**0.51**	**(238,905)**	0.30	(407,131)
At 31 December	**0.54**	**5,144,157**	0.50	3,083,192

Out of the 5,144,157 outstanding Unapproved Scheme options (2016: 3,083,192), 2,846,794 options (2016: 398,033) were exercisable. The weighted average exercise price of the outstanding share options under the Unapproved Scheme at 31 December 2017 was £0.54 (2016: £0.50).

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

				Share options	
Grant-vest	Scheme	Expiry date	Exercise price in £ per share options	**2017**	2016
2015	EMI	20 Aug 2025	0.30	**–**	84,083
2015	Unapproved	20 Aug 2025	0.30	**–**	38,400
2015–18	EMI	20 Aug 2025	0.30	**–**	1,363,888
2015–18	Unapproved	20 Aug 2025	0.30	**1,291,760**	1,078,898
2015–18	EMI	16 Nov 2025	0.30	**–**	101,000
2016–19	Unapproved	16 Dec 2026	0.62	**3,371,731**	1,965,894
2017–19	Unapproved	19 June 2027	0.62	**255,666**	–
2017–19	Unapproved	16 Oct 2027	0.62	**225,000**	–
Total				**5,144,157**	4,632,163

The fair values were estimated using the Black-Scholes option pricing model. The weighted average fair value of the options granted under the Unapproved Scheme during the period under this model was £0.31 per option (2016: £0.31). The significant inputs into the model were share price of £0.62 (2016: £0.62) at the grant date, exercise price as shown above, volatility of 47.9% (2016: 48.4%), expected option life of 6.5 years (2016: 6.5 years) and an annual risk-free interest rate of 1.706% (2016: 2.0687%). The volatility used for the calculations was based on the average (median) 6.5 year volatility for AIM-listed technology companies as at 31 December 2017.

The weighted average fair value of the options granted under the EMI Scheme during the period under this model was £0.46 per option (2016: £nil). The significant inputs into the model were share price of £0.62 (2016: £0.62) at the grant date, exercise price as shown above, volatility of 48% (2016: nil), expected option life of 6.5 years (2016: nil) and an annual risk-free interest rate of 1.75% (2016: nil).

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

21. Cash generated from operations

		Group		Company	
	Note	**2017 £**	2016 £	**2017 £**	2016 £
Loss for the financial period/year		**(11,062,449)**	(7,151,217)	**(11,290,257)**	(7,442,293)
Adjustments for:					
Tax on loss on ordinary activities	10	**(208,849)**	(142,887)	**(208,849)**	(142,887)
Interest received	8	**(776)**	(301)	**(54)**	–
Operating loss		**(11,272,074)**	(7,294,405)	**(11,499,160)**	(7,585,180)
Amortisation of intangible assets	13	**822,820**	596,626	**822,820**	596,626
Depreciation of tangible assets	12	**89,770**	133,039	**53,158**	49,580
Profit on disposal of tangible assets		**(2,660)**	(227)	**(1,441)**	–
Bad debts written off		**11,293**	–	**–**	–
Cost settled with equity		**52,544**	111,735	**52,544**	111,735
Share-based payment charge	20	**1,675,271**	192,047	**1,675,271**	192,047
Foreign exchange variance		**166,523**	(133,270)	**–**	–
– (Increase)/decrease in debtors		**(541,866)**	(132,427)	**(305,784)**	123,237
– Increase in creditors		**1,288,908**	222,599	**1,092,032**	201,176
Cash flow used in operating activities		**(7,709,471)**	(6,304,283)	**(8,110,560)**	(6,310,779)

22. Capital and other commitments

The Group had no capital and other commitments as at 31 December 2017, or the period ended 31 December 2016.

23. Related party transactions

The Group is owned by a number of investors, the largest being IP2IPO Portfolio (GP) Limited (as general partner for IP2IPO Portfolio L.P), who owns approximately 27% of the share capital of the Company. Accordingly there is no ultimate controlling party.

During the year the Company had the following significant related party transactions which were carried out at arms length. No guarantees were given or received for any of these transactions:

IP2IPO Services Limited

IP2IPO Portfolio (GP) Limited – a company with the same parent company as IP2IPO Services Limited; one of the Company Directors during the period had the following transactions: (1) purchase of 6,010,323 Ordinary Shares in the IPO in December 2017 at £0.62 per share; and (2) charged Mirriad Advertising plc £52,543.76 for services as a corporate finance adviser. This fee was satisfied by the issue and allotment of 84,748 preference shares in July 2017.

IP2IPO Limited – a company with the same parent company as IP2IPO Services Limited; one of the Company Directors during the period had the following transactions: (1) purchase of 10,000 Ordinary Shares in the IPO in December 2017 at £0.62 per share; and (2) charged Mirriad Advertising plc £10,000 in November 2017 for placement of a Non-executive Director, and £267.05 for event hire and refreshments in December 2017. The invoice for the event hire charges was not received by the Company until January 2018 so was unpaid as at 31 December 2017. This invoice was subsequently settled on 30 January 2018.

Top Technology Ventures Limited – a company with the same parent company as IP2IPO Services Limited; one of the Company Directors and during the period charged Mirriad Advertising plc £3,500 in August 2017 for data room charges related to fundraising activity.

Parkwalk Advisors Limited

The Non-executive Director of the Company during the period purchased 4,032,258 Ordinary Shares in the IPO in December 2017 at £0.62 per share.

All the related party transactions disclosed above were settled by 31 December 2017 except where stated.

During the year ended 31 December 2017, 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 Remuneration Report.

24. Lease commitments

The Group leases office space under a mixture of short-term licensed deals and longer-term operating leases, expiring within one to nine years. The future minimum lease payments under non-cancellable operating leases are as follows:

Group	2017 £	2016 £
No later than one year	**429,795**	322,675
Later than one year and no later than five years	**1,260,915**	77,168
Later than five years	**1,244,833**	–
Total	**2,935,543**	399,843

25. IFRS conversion

Group reconciliation of equity as at 31 December 2015

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS at 31 December 2015 £
Assets					
Non-current assets					
Property, plant and equipment	D	59,240	–	81,504	140,744
Intangible assets	A	1,700,539	35,864	–	1,736,403
Current assets					
Trade and other receivables	B	586,777	76,650	(29,120)	634,307
Cash and cash equivalents		5,824,952	–	–	5,824,952
Total assets		8,171,508	112,514	52,384	8,336,406
Equity and liabilities					
Equity attributable to owners of the parent					
Ordinary Shares		363	–	–	363
Share premium		10,901,926	–	–	10,901,926
Share-based payment reserve	E	–	–	97,517	97,517
Retranslation reserve		(43,127)	–	–	(43,127)
Retained earnings:					
– At start of year		–	–	–	–
– Loss for the year attributable to the owners	C	(3,228,364)	112,514	(76,466)	(3,192,316)
Total equity		7,630,798	112,514	21,051	7,764,363
Liabilities					
Current liabilities					
Trade and other payables	F, G	540,710	–	31,333	572,043
Total liabilities		540,710	–	31,333	572,043
Total equity and liabilities		8,171,508	112,514	52,384	8,336,406

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

25. IFRS conversion *continued*

Group reconciliation of equity as at 31 December 2016

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS at 31 December 2016 £
Assets					
Non-current assets					
Property, plant and equipment		49,017	–	–	49,017
Intangible assets	A	1,190,377	431,123	–	1,621,500
Trade and other receivables		–	–	28,634	28,634
Current assets					
Trade and other receivables	B	958,730	–	(57,755)	900,975
Cash and cash equivalents		10,347,394	–	–	10,347,394
Total assets		12,545,518	431,123	(29,121)	12,947,520
Equity and liabilities					
Equity attributable to owners of the parent					
Ordinary Shares		556	–	–	556
Share premium		22,401,586	–	–	22,401,586
Share-based payment reserve	E	–	–	289,564	289,564
Retranslation reserve		(176,397)	–	–	(176,397)
Retained earnings:					
– At start of year		(3,228,364)	112,514	(76,466)	(3,192,316)
– Loss for the year attributable to the owners	C	(7,155,713)	318,609	(314,113)	(7,151,217)
Total equity		11,841,668	431,123	(101,015)	12,171,776
Liabilities					
Current liabilities					
Trade and other payables	F, G	703,850	–	71,894	775,744
Total liabilities		703,850	–	71,894	775,744
Total equity and liabilities		12,545,518	431,123	(29,121)	12,947,520

25. IFRS conversion *continued*

Company reconciliation of equity as at 31 December 2015

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS at 31 December 2015 £
Assets					
Non-current assets					
Property, plant and equipment	D	49,572	–	–	49,572
Intangible assets	A	1,700,539	35,864	–	1,736,403
Current assets					
Trade and other receivables	B	432,842	76,650	–	509,492
Cash and cash equivalents	I	5,651,351	–	–	5,651,351
Total assets		7,834,304	112,514	–	7,946,818
Equity and liabilities					
Equity attributable to owners of the parent					
Ordinary Shares		363	–	–	363
Share premium		10,901,926	–	–	10,901,926
Share-based payment reserve	E	–	–	97,517	97,517
Retained earnings:					
– Loss for the year attributable to the owners	C	(3,477,130)	112,514	(110,312)	(3,474,928)
Total equity		7,425,159	112,514	(12,795)	7,524,878
Liabilities					
Current liabilities					
Trade and other payables	F, G	409,145	–	12,795	421,940
Total liabilities		409,145	–	12,795	421,940
Total equity and liabilities		7,834,304	112,514	–	7,964,818

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

25. IFRS conversion *continued*

Company reconciliation of equity as at 31 December 2016

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS at 31 December 2016 £
Assets					
Non-current assets					
Property, plant and equipment		27,197	–	–	27,197
Intangible assets	A	1,190,377	431,123	–	1,621,500
Investments		11,796	–	–	11,796
Current assets					
Trade and other receivables	B	568,029	–	(2)	568,027
Cash and cash equivalents	I	10,180,877	–	–	10,180,877
Total assets		11,978,276	431,123	(2)	12,409,397
Equity and liabilities					
Equity attributable to owners of the parent					
Ordinary Shares		556	–	–	556
Share premium		22,401,586	–	–	22,401,586
Share-based payment reserve	E	–	–	289,564	289,564
Retained earnings:					
– At start of year		(3,477,130)	112,514	(110,312)	(3,474,928)
– Loss for the year attributable to the owners	C	(7,536,327)	318,609	(224,575)	(7,442,293)
Total equity		11,388,685	431,123	(45,323)	11,774,485
Liabilities					
Current liabilities					
Trade and other payables	F, G	589,591	–	45,321	634,912
Total liabilities		589,591	–	45,321	634,912
Total equity and liabilities		11,978,276	431,123	(2)	12,409,397

25. IFRS conversion *continued*

Group reconciliation of consolidated statement of profit or loss for the period ended 31 December 2015

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS for the period ended 31 December 2015 £
Revenue	H	514,141	–	(170,610)	343,531
Cost of sales		(125,260)	–	–	(125,260)
Gross profit		388,881	–	(170,610)	218,271
Administrative expenses	A, D, E, F, G	(3,656,965)	110,407	(76,466)	(3,623,024)
Other operating income	B, H	–	2,107	170,610	172,717
Operating loss		(3,268,084)	112,514	(76,466)	(3,232,036)
Finance income		–	–	–	–
Finance costs		(1,634)	–	–	(1,634)
Loss before income tax		(3,269,718)	112,514	(76,466)	(3,233,670)
Income tax credit		41,354	–	–	41,354
Loss for the period		(3,228,364)	112,514	(76,466)	(3,192,316)

Group reconciliation of consolidated statement of profit or loss for the year ended 31 December 2016

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS for the period ended 31 December 2016 £
Revenue		967,625	–	(256,759)	710,866
Cost of sales		(151,585)	–	(1)	(151,586)
Gross profit		816,040	–	(256,760)	559,280
Administrative expenses	A, D, E, F, G	(8,114,941)	434,143	(314,112)	(7,994,910)
Other operating income	B, H	–	(115,534)	256,759	141,225
Operating loss		(7,298,901)	318,609	(314,113)	(7,294,405)
Finance income		301	–	–	301
Loss before income tax		(7,298,600)	318,609	(314,113)	(7,294,104)
Income tax credit		142,887	–	–	142,887
Loss for the year		(7,155,713)	318,609	(314,113)	(7,151,217)

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2017

25. IFRS conversion *continued*

Company reconciliation of consolidated statement of profit or loss for the period ended 31 December 2015

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS for the period ended 31 December 2015 £
Revenue	H	475,863	–	(170,610)	305,253
Cost of sales		(1,225)	–	–	(1,225)
Gross profit		474,638	–	(170,610)	304,028
Administrative expenses	A, D, E, F, G	(3,991,677)	110,407	(110,312)	(3,991,582)
Other operating income	B, H	–	2,107	170,610	172,717
Operating loss		(3,517,039)	112,514	(110,312)	(3,514,837)
Finance costs		(1,445)	–	–	(1,445)
Loss before income tax		(3,518,484)	112,514	(110,312)	(3,516,282)
Income tax credit		41,354	–	–	41,354
Loss for the period		(3,477,130)	112,514	(110,312)	(3,474,928)

Company reconciliation of consolidated statement of profit or loss for the year ended 31 December 2016

	Note	FRS 102 £	IFRS adjustments £	Other adjustments £	IFRS for the period ended 31 December 2016 £
Revenue		777,413	–	(256,759)	520,654
Cost of sales		(799)	–	–	(799)
Gross profit		776,614	–	(256,759)	519,855
Administrative expenses	A, D, E, F, G	(8,455,828)	434,143	(224,575)	(8,246,260)
Other operating income	B, H	–	(115,534)	256,759	141,225
Operating loss		(7,679,214)	318,609	(224,575)	(7,585,180)
Finance income		–	–	–	–
Loss before income tax		(7,679,214)	318,609	(224,575)	(7,585,180)
Income tax credit		142,887	–	–	142,887
Loss for the year		(7,536,327)	318,609	(224,575)	(7,442,293)

25. IFRS conversion *continued*

Notes on IFRS adjustments

A – Capitalised development costs

FRS 102 allows an option to capitalise development costs provided specific criteria are met, but this option was not taken by the Company, despite the criteria being met. Under IFRS an intangible asset arising from the development phase of an internal project must be recognised if certain criteria have been met.

IAS 38 "Intangible assets" has now been implemented, which has led to the recognition of staff costs related to the development of computer software products used by the business. The costs are recognised to the extent they relate to the development phase of the work being carried out. These development costs are being amortised over three years.

B - Grant income

Previously grant income was recognised when quarterly grant claims were actually submitted and the claim amount known, but this has been amended to recognise the grant income on an accruals basis over the period the grant costs were incurred in line with IAS 20 "Government grants and disclosure of government assistance". The impact of this was to reallocate grant income between 2015 and 2016 which gave rise to a corresponding accrued income balance at the end of 2015.

C – Loss for the period/year

This entry represents the retained earnings impact of all the adjustments posted.

Notes on other adjustments

D – Depreciation in India

This adjustment ensures depreciation is appropriately allocated between 2015 and 2016.

E – Share-based payments

IFRS 2 "Share-based payments" has now been applied to share options granted in 2015 and 2016 resulting in a charge in the income statement and a corresponding entry in equity. Previously share-based payments had not been recognised as an expense and they were not deemed material to the FRS 102 financial statements.

F – Holiday pay accrual

IAS 19 "Employee benefits". A holiday pay accrual has been made for annual leave accrued and not taken at the period/year end. No such accrual had previously been recognised in the FRS 102 financial statements.

G – National Insurance on share-based payments

A National Insurance accrual has been recognised in relation to the share-based payments issued to employees. This was previously not recognised and was not deemed material to the FRS 102 financial statements.

H – Operating income

Grant income has reclassified from revenue to other operating income.

I – Cash and cash equivalents

There was no impact on overall cash flows of the IFRS conversion.

26. Post balance sheet events

On 24 April 2018 the Company announced the completion of an investment by Puhua Tianqin Equity Investment Fund Partnership ("Puhua"), a capital fund established in Jinhua in the People's Republic of China.

Puhua has subscribed for 3,225,806 new Ordinary Shares at a price of 62p per share, the same price funds were raised at in Mirriad's IPO on 19 December 2017. The investment raised gross proceeds of approximately £2 million for the Company.

Notice of Annual General Meeting

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000, 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 One London Wall, London EC2Y 5EB at 10.00 a.m. on 13 June 2018 is set out in this document.

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 One London Wall, London EC2Y 5EB at 10.00 a.m. on 13 June 2018 for the purposes of considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 11 (inclusive) will be proposed as Ordinary Resolutions and Resolution 12 will be proposed as a Special Resolution.

Ordinary business

1. To receive and consider the Directors' Report, the audited financial statements and Independent Auditors' Report for the year ended 31 December 2017.
2. To receive and approve the Remuneration Report contained within the Annual Report and Accounts for the year ended 31 December 2017.
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 re-elect Mr. Roger Faxon as a Director of the Company, who retires in accordance with the articles of association of the Company.
6. To re-elect Mr. Mark Reilly as a Director of the Company, who retires in accordance with the articles of association of the Company.
7. To re-elect Mr. Alastair Kilgour as a Director of the Company, who retires in accordance with the articles of association of the Company.
8. To re-elect Mr. Anthony John Pearson as a Director of the Company, who retires in accordance with the articles of association of the Company.
9. To re-elect Mr. Mark Popkiewicz as a Director of the Company, who retires in accordance with the articles of association of the Company.
10. To re-elect Mr. David Dorans as a Director of the Company, who retires in accordance with the articles of association of the Company.

Special business

11. 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 ("the 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 £350 (such amount to be reduced by the nominal amount of any allotment or grants made under paragraph (b) below in that are in excess of £350; and further

    (b) allot equity securities of the Company (as defined in section 560 of the Act) up to an aggregate nominal amount of £701 (such amount to be reduced by the nominal amount of any allotment or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:

        (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 11 had not expired.

Notice of Annual General Meeting *continued*

Special business *continued*

12. 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 empowered to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by Resolution 11 above (in accordance with section 570(1) of the Act) and/or by way of a sale of treasury shares (in accordance with section 573 of the Act), in each case as if section 561(1) of the Act did not apply to any such allotment provided that:

    (a) such power shall be limited to:

    (i) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of (i) Resolution 11, by way of a rights issue only):

    (A) 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

    (B) 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

    (ii) the allotment of equity securities, other than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £105; and

    (b) 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 except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot such relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

By order of the Board

Catherine Shennan
Company Secretary
18 May 2018

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 accounts 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' Report and Auditors' Report on the accounts. At the Annual General Meeting, the Directors will present these documents to the members for the financial year ended 31 December 2017.

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 Annual 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 to 10 – Re-election of Directors

These resolutions concern the re-election of all of the Directors of the Company, who are retiring at the first Annual General Meeting since the Company's admission to AIM in accordance with article 88.1(a) of the Company's articles of association.

Resolution 11 – 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 £350, representing approximately 33.33% of the nominal value of the issued Ordinary Share capital of the Company as at 17 May 2018, being the latest practicable date before publication of this notice. In addition, in accordance with guidelines issued by the Investment Association, this resolution grants the Directors authority to allot further equity securities up to an aggregate nominal value of £701, representing approximately 66.66% of the nominal value of the issued Ordinary Share capital of the Company as at 17 May 2018, being the latest practicable date before publication of this notice. This additional authority may be only applied to fully pre-emptive rights 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 12 – 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 rights issue or other pre-emptive issue or the allotment is limited to a maximum nominal amount of £105, representing approximately 10% of the nominal value of the issued Ordinary Share capital of the Company as at 17 May 2018, being the latest practicable date before publication of this notice. 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 12 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 12 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 12 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. Calls cost 12p to 14p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. They are open between 8.30 a.m.–5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Notice of Annual General Meeting *continued*

Notes to Notice of Annual General Meeting *continued*

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, not less than 48 hours 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 11 June 2018 (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 17 May 2018 (being the last business day prior to the publication of this notice of meeting) the Company's issued share capital consisted of 105,122,717 Ordinary Shares in the capital of the Company, carrying one vote each. Therefore, the total voting rights in the Company as at 17 May 2018 were 105,122,717.
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 and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID No. 3RA50) by 10.00 a.m. on 11 June 2018. 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 and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can either (i) appoint a proxy (described in notes 1 to 3 above) or (ii) appoint one or more corporate representatives, who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
11. A copy of this notice, and other information required by section 311A of the Act, can be found at mirriadplc.com/investor-relations
12. You may not use any electronic address provided either in the Notice of Annual General Meeting or any related documents (including the Chairman's letter and proxy form) to communicate for any purposes other than those expressly stated.
13. Voting on all resolutions will be conducted by way of a poll. This is a more transparent method of voting as shareholders' votes are counted according to the number of shares registered in their names.
14. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends:
    (a) copies of the service contracts of the Executive Directors of the Company; and
    (b) copies of the letters of appointment of the Non-executive Directors of the Company.