

Board of Directors



Roger Conant Faxon
Non-executive Chairman



Mark Sabin Tadeusz Popkiewicz
Chief Executive Officer



David Dorans
Chief Financial Officer

A

Skills and experience

Roger joined the Board in June 2015. He is a former CEO of EMI Group and held prior operational and financial roles with the Group. He was EVP/COO for Lucasfilm and Senior EVP of Columbia Pictures.

Skills and experience

Mark joined the Board in May 2015 and was the original founder of Mirriad. He was previously a director at BBC Ventures, Mobile Media and Eicon, where he was part of a five-man management team that executed the successful IPO of Eicon. Mark has led several technology businesses, held senior executive positions at Lucent Technologies and spent more than half his career working with US-based businesses setting up global operations including in Brazil, India and China.

Skills and experience

David joined the Board in November 2017 having joined the Group in November 2015. He was previously chief financial officer of Mindshare UK (part of WPP), chief financial officer of YouView, head of distribution and broadcast technology at Channel 4, general manager of UKTV and project manager at BBC Worldwide. David is a formally qualified accountant and was a senior associate at PwC Consultants.

External appointments

Roger currently leads A&R Investments, is a non-executive director of ITV plc, is a non-executive director of Pandora Media Inc and sits on the board of Johns Hopkins University.



Dr Mark Alexander Reilly
Non-executive Director

A R

Skills and experience

Mark joined the Board in November 2017. Prior to joining the Board in a personal capacity, Mark was the representative of IP2IPO Services Limited, which was a corporate director of the Company from 20 May 2015 until admission.

External appointments

Mark is head of the technology division of IP Group plc, one of the UK's leading intellectual property commercialisation specialists and an investor in Mirriad. He has led investments in, and played a key role in the growth of, numerous innovative high-tech companies. Mark sits on the board and audit committee of Actual Experience plc.



Alastair Hugh Lowell Kilgour
Non-executive Director

R

Skills and experience

Alastair joined the Board in November 2017. Prior to joining the Board in a personal capacity, Alastair was the representative of Parkwalk Advisors Limited, which was a corporate director of the Company from 20 May 2015 until admission. Before co-founding Parkwalk Advisors in 2009, Alastair was a partner of Lazard LLP, a director of BNP and a founder partner of Ark Securities.

External appointments

Alastair is the chief investment officer at Parkwalk and sits on the board of Parkwalk. He is a director of PredictImmune Ltd, Congenica Ltd, Phoremost Ltd, Albert Innovations Ltd and Victoria Innovations Ltd.



Anthony John Pearson
Non-executive Director

R

Skills and experience

John joined the Board in October 2017. He is a former CEO of Virgin Radio and Virgin Radio International, director of Ginger Media, chairman of Shazam Entertainment and co-founder of World Architecture News.

External appointments

John is currently chairman of FairFX plc and Imagen Video Asset Management Ltd, Vestdeck Ltd and Bought By Many Limited.

Key

- A** Audit Committee member
- R** Remuneration Committee member
- Committee Chair

Corporate governance report

Statement by the Directors on compliance with the Code of Best Practice

As an AIM-quoted company, Mirriad Advertising plc is not required to comply with the provisions of the UK Corporate Governance Code (the "Code") that applies to companies with a premium London Stock Exchange listing. However, the Directors recognise the value and importance of high standards of corporate governance and, given the Company's size and the constitution of the Board, comply with the principal provisions of the UK Corporate Governance Code to the extent the Directors consider appropriate in light of the Group's size, stage of development and resources. The Company also intends to follow the recommendations set out in the QCA Code.

The Board

The Group is controlled through a Board of Directors, which at 31 December 2017 comprised two Executive Directors, a Non-executive Chairman and three other Non-executive Directors, of whom two are considered independent.

The Chairman is Roger Faxon and the Chief Executive Officer is Mark Popkiewicz. Both the Chairman and John Pearson, a Non-executive Director, are considered to be independent. Dr Mark Reilly and Alastair Kilgour joined the Board in a personal capacity at the time of the IPO having previously been the nominated representatives of the corporate directors IP Group plc and Parkwalk Advisors.

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

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

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

Board Committees

The Board Committees comprise the Audit Committee and the Remuneration Committee.

Audit Committee

The Audit Committee was established at the IPO and has two Non-executive Director members: Dr Mark Reilly (Chairman) and Roger Faxon. The Group's external auditors, along with the Chief Financial Officer, are invited to attend the Audit Committee meetings.

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

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

Any non-audit services that are to be provided by the external auditors are reviewed in order to safeguard auditor objectivity and independence. The external auditors have the opportunity during the Audit Committee meetings to meet privately with Committee members in the absence of executive management. In preparation for the IPO, the Board considered a review of risks facing the Group, together with management's assessment of the risks and mitigation steps. Since the IPO, the Audit Committee has been responsible for reviewing the Company's procedures for the identification, assessment, management and reporting of risks. The Company has a whistleblowing policy, in which staff may notify the CFO or confidentially the Chair of the Audit Committee of any concerns regarding suspected wrongdoing or dangers at work.

Remuneration Committee

The Remuneration Committee was reconstituted at the IPO and has three Non-executive Director members: the Chairman of the Remuneration Committee is John Pearson and Dr Mark Reilly and Alastair Kilgour are the other Non-executive members. In addition, the Company Chairman has a standing right to attend any Remuneration Committee meetings. The Committee meets periodically as required and is responsible for overseeing the policy regarding staff and executive remuneration and for approving the remuneration packages for the Group's Executive Directors. It is also responsible for reviewing incentive schemes for the Group as a whole.

Nomination Committee

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

Risk management and internal controls

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness; the role of management is to implement Board policies on risk management and control. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Group operates a series of controls to meet its needs. These controls include, but are not limited to, a clearly defined organisational structure, written policies, a comprehensive annual strategic planning and budgeting process and detailed monthly reporting. The Group prepares a quarterly rolling budget, which is approved by the Board as part of its normal responsibilities. The quarterly budgeting process facilitates the Board's understanding of the Group's overall position throughout the year. The Audit Committee receives reports from management and the external auditors concerning the system of internal control and any material control weaknesses. Any significant risk issues are referred to the Board for consideration. The Board has considered the need for an internal audit function, but has concluded that, at this stage in the Group's development, the internal control systems in place are appropriate for the size and complexity of the Group.

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

Shareholder communications

The CEO and the CFO regularly meet with institutional shareholders to foster a mutual understanding of objectives. The Chairman and the other Non-executive Directors are available to shareholders to discuss strategy and governance issues. The Directors encourage the participation of all shareholders, including private investors, at the Annual General Meeting. The Annual Report and Accounts is published on the Company's website, www.mirriad.com, and can be accessed by shareholders.

Whistleblowing policy

The Board has adopted a whistleblowing policy. The aim of the policy is to encourage all employees, regardless of seniority, to bring matters which cause them concern to the attention of the Chairman of the Audit Committee.

By order of the Board

Roger Conant Faxon

Non-executive Chairman

9 May 2018

Remuneration report

As an AIM-listed company, Mirriad Advertising plc is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The content of this report is unaudited unless stated.

Membership of the Remuneration Committee

The Company created a new Remuneration Committee at the time of IPO. From that date, the Remuneration Committee has comprised the three Non-executive Directors, John Pearson (Chairman of the Remuneration Committee), Dr Mark Reilly and Alastair Kilgour. The Company's terms of reference for its Remuneration Committee also allow the Chairman, Roger Faxon, to attend Committee meetings.

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

The Remuneration Committee also considers the overall remuneration policy of the Group and makes recommendations to the Board.

Remuneration policy

The Group's remuneration policy is designed to enable the Group to attract, retain and motivate its staff and Executive Directors, while ensuring that overall remuneration is consistent with the performance of the Group and retains a balance between remuneration and shareholder value.

Non-executive Directors

Remuneration of the Non-executive Directors is determined by the Executive Directors.

Non-executive Directors are not entitled to pensions, annual bonuses or employee benefits. They are entitled to participate in share option arrangements relating to the Company's shares and both the Chairman and Independent Non-executive have share option arrangements.

Each of the Non-executive Directors has a contract stating his annual fee and that his appointment is initially for a term of three years from the date of admission (subject to re-election at the Company's AGM).

Their appointment may be terminated with three months' written notice at any time.

The annual fee for the Chairman is £100,000. John Pearson's annual fee is £40,000 and the remaining Non-executive Directors' annual fees are £20,000 per annum from the date of admission (19 December 2017).

Directors' service contracts

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

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

Directors' remuneration

Normally, Executive Directors' remuneration consists of basic salary and annual performance related bonus. In the case of David Dorans, Chief Financial Officer, there is also a £10,000 performance related element included in his base salary.

Both of the Executive Directors have service agreements that can be terminated by either party giving at least six months' written notice.

At the time of IPO, the basic annual salaries payable to the Chief Executive Officer and Chief Financial Officer were £185,000 and £179,950 per annum respectively.

Salaries for all staff, including Executive Directors, are reviewed annually, effective 1 January. In January 2018 the Executive Directors' salaries were increased to £190,550 and £185,349 respectively.

Executive bonuses

The Company operates a performance related bonus scheme for all staff including Executive Directors. The Chief Financial Officer was awarded a bonus of £9,900 triggered by meeting certain performance criteria in the financial year ended 31 December 2016. This was paid in March 2017. Both Executive Directors were awarded discretionary bonuses related to the successful IPO, paid in March 2018. These amounted to £15,000 for the Chief Executive Officer and £12,500 for the Chief Financial Officer.

Pensions

The Company operates a defined contribution pension scheme open to all UK Executive Directors and employees.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' Report on page 18.

Directors' share options

Aggregate emoluments disclosed below do not include any amounts for the value of options to acquire Ordinary Shares in the Company granted to or held by the Directors. 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. Details of options for Directors who served during the year are as follows:

	Options at 31 December 2017	Vesting dates	Exercise price
Executive			
Mark Popkiewicz	253,576	20 August 2016/17/18	£0.30
	1,469,753	16 Dec 2017/18/19	£0.62
David Dorans	—		—
Non-executive			
Roger Faxon	610,696	Vested 19 Dec 2017	£0.30
	987,218	Vested 19 Dec 2017	£0.62
John Pearson	225,000	16 Oct 2018/19/20	£0.62
Dr Mark Reilly	—		—
Alastair Kilgour	—		—

Directors' remuneration

	Salary/fees £000	Bonus £000	Employer's pension £000	Other benefits £000	Share-based payment £000	Total 2017 £000	Total 2016 £000
Executive							
Mark Popkiewicz	185	—	2	1	299	487	269
David Dorans*	180	10	5	—	325	520	177
Non-executive							
Roger Faxon	100	—	—	—	340	440	141
John Pearson**	10	—	—	—	7	17	—
Dr Mark Reilly**	1	—	—	—	—	1	—
Alastair Kilgour**	1	—	—	—	—	1	—
	477	10	7	1	971	1,466	587

* For full financial year.

** From date of appointment.

During the year Mark Popkiewicz exercised 833,333 share options and David Dorans exercised 766,999 share options both under the EMI Scheme.

There are no long-term employment benefit or incentive schemes in place other than share options.

Directors' report

The Directors present their Annual Report and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

Country of incorporation

Mirriad Advertising plc is incorporated in England and Wales with company registration number 09550311.

Review of business and future developments

The Chairman's Statement (page 4), the Chief Executive's Statement (pages 5 and 6) and the Financial Review (pages 8 and 9) report on the performance of the Group during the year ended 31 December 2017 and its prospects for the future.

Directors

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

- Roger Faxon – appointed 1 June 2015
- Mark Popkiewicz – appointed 20 May 2015
- David Dorans – appointed 19 December 2017
- John Pearson – appointed 2 October 2017
- Dr Mark Reilly – appointed 19 December 2017
- Alastair Kilgour – appointed 19 December 2017

Significant shareholders

The Company is informed that, at 9 May 2018, individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
IP Group plc	28,122,146	26.8%
Parkwalk Advisors Limited	18,175,023	17.3%
Soros Fund Management	4,838,710	4.6%
City Financial Investment Company Limited	4,032,258	3.8%
Progeny	3,699,036	3.5%
Jinhua Puhua Tianqin Equity Investment Fund Partnership	3,255,806	3.1%

Directors' shareholdings

The beneficial interests of the Directors in the share capital of the Company at 31 December 2017 and at 9 May 2018 were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
Executive Directors		
Mark Popkiewicz	430,310	0.4%
David Dorans	508,024	0.5%
Non-executive Directors		
Roger Faxon	5,745	0.0%
Alastair Kilgour	333,333	0.3%
Dr Mark Reilly	33,333	0.0%
John Pearson	–	–

Employees

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

Financial instruments

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

Post balance sheet events

On 24 April 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.

Directors' indemnities and Directors' and officers' liability insurance

The Company's articles of association permit the Company to indemnify Directors of the Company in accordance with the Companies Act 2006. Directors' and officers' liability insurance is also in place.

Annual General Meeting

The Annual General Meeting of the Group is to be held on 13 June 2018. The notice of meeting appears on pages 60 to 64 of these financial statements.

Political and charitable donations

During the year ended 31 December 2017 the Group made political donations of £nil (2016: £nil) and charitable donations of £nil (2016: £nil).

Supplier payment policy and practice

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

Independent Auditors

In accordance with section 489 of the Companies Act, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

David Dorans

Director
9 May 2018

Statement of Directors' responsibilities

In respect of the Annual Report and financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS as adopted by the European Union have been followed for the Group financial statements and IFRS as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

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

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