Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

7 March 2018

Mirada plc
("Mirada", the "Company" or the "Group")

New £3m loan facility

Mirada plc (AIM: MIRA), a leading audio-visual content interaction specialist, provides an update regarding the outlook for its business and announces that the Company has entered into a secured one-year loan facility for up to £3 million (the "Facility").

The proceeds from the Facility are to be used alongside Mirada's existing debt financing facilities for general working capital purposes of the Company, including the implementation of customer contracts announced during 2017. The Directors of Mirada (the "Directors") believe that monies drawn down from the Facility will strengthen the Company's balance sheet whilst giving the Company the opportunity to secure new customer contracts and negotiate and renew other debt financing facilities, such as invoice discounting facilities. The Directors believe that the Facility represents the best financing option currently available to allow the Company to satisfy its short to medium-term working capital requirements and to convert its pipeline of new business opportunities into new customer contracts.

Terms of the Facility

The Facility comprises two tranches: £1.5 million to be drawn down within two months of the date of the Facility, failing which the Facility shall be cancelled ("Facility A"), and thereafter up to a further £1.5 million which can be drawn down in minimum tranches of £100,000, with any amount not drawn down within 11 months of the date of the Facility then being cancelled ("Facility B"). It is intended that Facility A will be drawn down imminently.

The Facility is for one year and therefore funds drawn down under the Facility are repayable by 6 March 2019 (the "Maturity Date"). The Company can elect to give notice of early repayment of the amount drawn under the Facility (the "Loan"), in whole or in part, at any time after the date which is two months following the date of the Facility, subject to any repayment being for a minimum amount of £50,000 or multiples thereof. Such amounts repaid will cease to accrue interest and cannot be re-borrowed or redrawn.

The Facility is to be secured by way of a Spanish law first ranking pledge in favour of the lender (as defined) over the credit rights (equivalent to receivables due) under a master agreement and software licence agreement entered into between Mirada Iberia, S.A.U (a subsidiary of Mirada) and ATN International, Inc. ("ATNi"), details of which were announced on 29 August 2017, such security to be in a form and substance satisfactory to the lender and entered into within 30 days of the date of the Facility (or as otherwise agreed between the Company and the lender).

The Facility bears an interest rate of 15 per cent. per annum on monies that are drawn down, which shall be payable quarterly in arrears. Should an event of default occur, an additional 2 per cent. interest per annum will be charged until the Loan has been repaid in full.

The Loan, and all applicable interest, is immediately repayable early on certain customary events of default occurring as set out further below.

About the lender

The Facility is being provided by Kaptungs Limited ("Kaptungs" or the "lender"). Kaptungs is the owner of 10,639,183 Ordinary Shares in Mirada, which represents 7.65 per cent of the voting rights in the Company. Kaptungs also holds 26,954,266 Ordinary Shares in Mirada through Chase Nominees Limited, which represents 19.38 per cent of the voting rights in the Company. Kaptungs is an investment company incorporated in the Commonwealth of the Bahamas which is beneficially owned by Mr Ernesto Luis Tinajero Flores ("Mr Tinajero"). Accordingly, Mr Tinajero has a total beneficial interest in 37,593,449 Ordinary Shares in Mirada, which represents 27.03 per cent of the voting rights in the Company.

Mr Tinajero is a long-term supporter of the Company and has previously been the owner of Cablecom in Mexico, a customer of Mirada that is now part of the Televisa Group.

Related party transaction

The entering into of the Facility with Kaptungs is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies, due to Mr Tinajero (the beneficial owner of Kaptungs) being a substantial shareholder in the Company pursuant to the AIM Rules for Companies. The Directors, having consulted with Allenby Capital Limited, the Company's Nominated Adviser, consider that the terms of the Facility with Kaptungs are fair and reasonable insofar as the Company's shareholders are concerned.

Outlook and reasons for the Loan

The Company continues deployment works for ATNi in the Caribbean and Digital TV in Bolivia, which remain on track with the Directors' expectations. Izzi Telecom in México continues to install new set-top boxes with Mirada's technology at a regular rate and the Directors expect for this installation rate to increase significantly over the coming months with a corresponding increase in revenues from this client. This is due to extensions of the usage of the Company's technology by Izzi Telecom across new customer segments and product offerings.

The prospect for revenues from the contracts with ATNi and Digital TV allows the Company to have strong visibility of revenue levels for the next financial year. However, the significant short-term working capital requirements for these deployments, added to the efforts of the Company in winning new customers, require a stronger balance sheet position, which the Facility seeks to address. Although Mirada's banks and credit facility providers remain supportive, the Directors consider that it is also important to secure additional funding sources to ensure the Company will be in a position to deploy any new contracts and satisfy the associated working capital requirements. Therefore, the Company is also in discussions with Mr Tinajero regarding him providing further funding for this purpose, either as debt or equity, ahead of material cash flows from the current contracts being implemented.

To date the Company has relied on its current debt financing facilities, including its invoice discounting facilities, and the Company's net debt at 28 February 2018 was $9.34m with available facilities of $1.64m (mostly comprised of invoice discounting facilities). The ongoing usage of such invoice discounting facilities remains at the discretion of the banks providing them. The Directors are confident that as a result of its pipeline of potential new customer contracts and the expected revenues from its recently won contracts now being implemented, the Company's cashflow position will improve and it will be able to satisfy all debts as they fall due. However, there can be no certainty that the Company will be able to repay all funds drawn down under the Facility upon the Maturity Date or that other facilities such as invoice discounting will continue to be available when required, which could have a material impact on the Company's financial position and prospects. Cash management and debt obligations continue to be monitored by the Directors very closely.

José Luis Vázquez, CEO of Mirada plc, commented:
"The Company is currently in an expansion phase and is investing in the deployment of its recently won contracts, which have intensive working capital requirements. We are very grateful for the support provided from our largest shareholder, which will greatly help with the cash flow requirements of our current deployments and in converting our strong pipeline of new business opportunities."

Other terms of the Facility

The Facility is not transferable or assignable by the lender.

The Company will pay the lender's fees of £45,000 for the provision of the Facility on drawdown of Facility A, such amount to be deducted from the proceeds of such drawdown. The Company is also required to promptly on demand pay the lender the amount of all reasonable costs and expenses (together with any value added tax on them) that the lender incurs in connection with the negotiation and preparation of the Facility and the negotiation and preparation of any security document to be entered into thereunder capped, in aggregate, at £20,000.

The Company has provided the lender with customary warranties and representations in respect of the Facility and certain other matters. The Company has also given certain undertakings to the lender, including, *inter alia*, that until the Loan has been repaid in full, the Company will:

(i) not pay or make any payment or transfer to shareholders of any dividend, bonus, loan or distribution;

(ii) not without the prior consent of the lender (such consent not to be unreasonably withheld or delayed) incur any other indebtedness other than: (a) trade debts incurred in the ordinary course of business; or (b) certain permitted indebtedness; or (c) the renewal or extension of any indebtedness which exists on the date of the Facility (provided that the principal amount of such indebtedness does not increase to a material extent);

(iii) notify the lender upon becoming aware of any breach of any law, regulation or practice or any material breach of any licence, permit, consent or other authorisation held;

(v) exercise all rights and comply with all obligations under the Facility;

(vi) notify the lender of any Events of Default (as defined below) or of any litigation, arbitration or administrative proceedings or claims made or threatened against the Company which could have a material adverse effect on its business, assets or financial condition;

(vii) effect and maintain insurance over its assets and business; and

(viii) not without the prior written consent of the lender (such consent not to be unreasonably withheld or delayed) sell, assign, lease, transfer or otherwise dispose of in any manner all or any part of, or any interest in, its assets other than: (i) trading stock in the ordinary course of business; (ii) assets exchanged for other assets comparable or superior as to type, value and quality; and (iii) assets whose individual market value is worth less than £100,000.

Events of default

The Loan, and all applicable interest, is immediately repayable early on certain customary events of default occurring including, *inter alia,* (the "Events of Default"):

(i) failure by the Company to make payment on a due date;
(ii) any breach of warranty or representation made by the Company under the Facility;
(iii) a material breach of the Facility by the Company which, if capable of remedy, is not remedied within 10 business days to the reasonable satisfaction of the lender;
(iv) the Company, or any of its subsidiaries, being unable to pay its debts or otherwise becoming insolvent;
(v) the appointment of an administrator or other receiver of the whole or any part of the assets of the Company, or any of its subsidiaries;
(vi) any distress or other legal process affects the whole or a material part of the assets of the Company, or any of its subsidiaries, and is not discharged within 21 days;
(vii) an order being made or a petition being presented for the winding-up or liquidation of the Company, or any of its subsidiaries, or an administration order against the Company, or any of subsidiaries, being presented or notice of the appointment of an administrator in respect of the Company, or any of its subsidiaries, being presented;
(viii) any event occurring which in the reasonable opinion of the lender is likely to have a material adverse effect on the Company's ability to comply with its obligations under the Facility;
(x) a change of control occurs, which means the transfer of shares in the Company to any person not already a shareholder in the Company, or persons acting in concert (as defined in the Takeover Code) with them, such that the transferee (or persons acting in concert) obtains control (as defined in section 1124 of the Corporation Tax Act 2010); or
(xi) the Company failing to comply with its obligations to enter into the first ranking pledge in favour of the lender in accordance with the terms of the Facility.

The Facility is governed by English law.

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About Mirada

Mirada creates and manages products and services for digital TV operators and broadcasters. With almost 20 years of experience, the Company focuses on the future of Digital TV - multiscreen cross - platform navigation - anytime, anywhere. It offers a complete suite of end-to-end modular products for set-top boxes, PC, smartphones and tablets, all with innovative state-of-the-art user interface designs.

Mirada's products and solutions have been deployed by some of the biggest names in digital media and broadcasting including Televisa, Telefonica, Sky, Virgin Media, BBC, ITV and France Telecom. Headquartered in London, Mirada has commercial representation across Europe, Latin America and Southeast Asia and operates technology centres in the UK and Spain.

For more information, visit www.mirada.tv.