**This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").**

**20 December 2017**

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

**Interim results for the six months to 30 September 2017**

Mirada plc (AIM: MIRA), a leading audio-visual content interaction specialist, announces its unaudited interim results for the six months to 30 September 2017.

This period delivered the first commercial achievements resulting from the successful deployment of our Iris Inspire platform in Mexico. The Company was also able to secure a long-term recurring revenue contract with the US-based ATN International, Inc. ("ATNi") for the deployment of Iris within several of their Pay TV networks in the Caribbean. This deal was soon followed by another contract win, shortly after the period end, to deploy Iris for Bolivian operator Digital TV Cable Edmund S.R.L. ("Digital TV Cable"). These contracts represented the first conversions of the Company's significantly increased investment in developing its sales pipeline after the commercial deployment with Televisa.

The Company now offers the alternative to clients of a Software as a Service ("SaaS") model. This is not only considered more attractive to many potential customers, but also generates long-term subscriber-based licence fees, thereby ensuring greater visibility for future Company revenues. However, contracts under the SaaS require significant financing before they start to deliver revenues. The Company is working hard to obtain the necessary funding for its prospective sales pipeline, with a £1.7m loan facility secured after the period end to implement current contracts.

In this period, the Board decided to change the reporting currency for this year due to the growing exposure to the US Dollar, as all major contracts and most on the new potential deals for the Company are denominated in this currency.

## Operational Highlights

- On 29 August 2017, the Company announced a contract win with ATNi, a NASDAQ-listed company, which operates in several US and Caribbean locations under various trade names. Under the contract, Mirada will provide products and services to four different Caribbean operators owned by ATNi located in the U.S. Virgin Islands, Bermuda, the Cayman Islands and French Guyana.
- As of 30 September 2017, Izzi had deployed in excess of 800,000 set-top boxes bringing Mirada's technology into more than 400,000 households.
- First contract won with the new SaaS business model, which provided the Company with better long-term revenues visibility and enabled Mirada to better meet its customer's needs.

## Financial Highlights

- Revenue of $3.47 million during the six months to 30 September 2017 (H1 2016: $3.79 million, an 8% decrease, owing to a temporary reduction in business with our largest client, Televisa, following a slow-down in the Mexican economy. This includes $0.24 million revenues for the first months of integration of ATNi partially offset by the decrease in revenues from Izzi.
- EBITDA* loss of $1.20 million (H1 2016: $0.08 million loss). The increased loss results from increased sales, marketing and operational activities costs and a one off £0.50 million of license revenue recognised in H1 2016 associated with the initial deployment in Izzi.

- Televisa made two payments in advance to the Company:
    - On 27 July 2017, the Company billed and collected $1.24 million for front-end licenses. Of these licenses, $1.19 million will be installed after 30 September 2017 and has been recorded as Deferred Income.

    - On 25 September 2017, the Company billed and collected $1.02 million for professional services to be carried out in the following months. $0.55 million of this will be recognized after 30 September 2017 and has been recorded as Deferred Income.

- Net Debt** rose to $7.57 million (31 March 2017: $5.25 million). The increase results from the utilisation of existing credit lines and invoice discount facilities.

* EBITDA is defined as earnings before interest, tax, depreciation and amortisation
** Net Debt is defined as Gross Debt minus Cash

**Post period highlights**

- On 6 October 2017, the Company announced a five-year contract win with Digital TV Cable, a Bolivian pay TV operator and broadband services provider based in Santa Cruz, Bolivia, also with a SaaS business model.

- On 28 November 2017, the Company announced it had entered into agreement for the provision to the Company of unsecured one-year loan facilities of up to £1.7 million (together, the "Facility"). The Facility has certain conditional subscription rights. The proceeds from the Facility are to be used alongside Mirada's existing financing facilities for the general working capital purposes of the Company, including for the implementation of the contracts with ATNi and Digital TV Cable. More details are available at www.mirada.tv/en/investors/rns/.

**Commenting on the outlook for the Group, José Luis Vázquez, CEO of Mirada, said:**

"Mirada has built a solid platform, which is highly valued by its customers. This, combined with the successful commercial rollout of the Iris solution for Televisa last year, has enabled the Company to build a solid sales pipeline, which has started bearing fruit with the signing of two significant new contracts. We are confident that we are just at the beginning of a new stage in which Mirada is successfully securing new business and ensuring long-term revenue visibility for its stakeholders."

**Enquiries:**


| | |
|---|---|
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## Chief Executive Officer's Statement

### Overview

I am pleased to present the Group's interim financial results for the six months ended 30 September 2017.

The Company has been able to increase its customer base by signing new agreements with ATNi and, after the period end, with Digital TV Cable, thereby securing greater visibility for future revenues. We have been able to feed off the success of Televisa's commercial deployment, enhancing our product and leveraging our track record. From a commercial and operational perspective, we are well placed. However, the new contracts are under the SaaS model and, while expected to be profitable over the longer term, require short-term funding, which Mirada has been working hard to secure and we announced a new £1.7m loan facility for this purpose.

### Televisa rollouts

In Mexico, during a period of budget constraints resulting from the US Presidential elections and associated market fall-out, the Company's activities have primarily focused on ensuring the operational stability of current deployments. While this affected the revenues for the period, the Mexican economy has since begun to recover, with a stronger currency, and we are confident that deployments will recover also. At 30 September 2017, the number of households with Izzi using Mirada technology was over 400,000, with more than 800,000 set-top boxes deployed to date, which now represents nearly 10% of Izzi's installed base.

### New customer wins

In August 2017, the Company announced its first major contract win since the successful deployment at Televisa's Izzi Telecom in Mexico. The contract is with the US-based ATNi for deployments at some of its Pay TV assets based in the Caribbean. This win was the direct result of our increased sales and marketing activity, leveraging on our product's good references and our demonstrated capability in managing large deployments. The contract was structured on a SaaS model, giving greater revenue visibility in future years.

This framework was replicated post-period end at Digital TV Cable in Bolivia, which was announced on 5 October 2017. Both contract wins lower our customer concentration and diversify our sources of revenue, adding subscriber-based license revenues to those from previous contracts.

### Funding requirements

The Company faced funding challenges from the slow-down in deployments at Televisa, which impacted revenues for the last quarter of the previous fiscal year and the first half of the current fiscal year. This increased our working capital needs for the period under review. We managed this through the use of available short-term facilities, including credit lines and invoice discounting facilities, at very competitive interest rates.

Meanwhile, the Company has invested in its marketing and sales efforts, which are beginning to deliver results as demonstrated by ATNi and Digital TV Cable.

Finally, the new contract wins on the SaaS model require funding for part of the deployment costs in exchange for a recurrent flow of subscriber-based license fees in the longer term. To finance these deals, and post-period end, the Company announced entering into an agreement for a convertible loan of £1.7 million. We greatly appreciate the continued support of a group of shareholders with such expertise in the telecommunications industry, which is especially encouraging as they have a deep understanding of the Company as former customers of Mirada.

**Financial Overview**

Turnover was $3.47 million (H1 2016: $3.78 million), representing an 8% decrease against last year. The major cause of the decrease was the slow-down in professional services from our largest contract. Initial revenues from ATNi partially offset the decrease. We anticipate stronger revenues in the second half of the year, owing to an improvement in the Mexican economy and to the new sources of income from the new contracts.

The Board resolved to change the reporting currency for this year owing to its growing exposure to the US Dollar, as all major contracts and most of the new potential deals for the Company are dollar-denominated.

Over the half-year period, the Americas accounted for 67% of total revenues (H1 2016: 75%). The Board expects that turnover from other regions will represent a higher proportion assuming that negotiations outside the Americas generate new contract wins.

EBITDA loss was $1.20 million (H1 2016: $0.08 million loss) due to costs relating to increased sales, marketing and operational activities. EBITDA in this context is defined as earnings before interest, tax, depreciation and amortisation. Operating Losses were $2.79 million (H1 2016: loss of $1.44 million). Increased costs were mainly due to the larger operational team required for the deployment of the new contracts.

Loans and borrowings increased by $3.36 million to $8.89 million (March 2017: $5.53 million). Of these facilities, $1.09 million were long-term bank loans, $1.77 million were long-term zero-coupon loans from Spanish Government entities, $2.20m were short-term credit lines, $1.64 million were short-term bank loans and $2.19 million were short-term invoice discounting facilities. Cash and cash equivalents increased to $1.32 million at the end of the period (March 2017: $0.28 million). Net Debt rose to $7.57 million (31 March 2017: $5.25 million).

**Outlook**

The Company has been able to secure new contract wins as a result of increased sales and marketing activities, strong references within the market, the quality of its product, and the technical and operational skills demonstrated during its deployments, especially the latest and largest ones in Mexico. However, increasingly our new customers and prospective customers expect us to operate a SaaS contract model, implying further financial resources would be required for the Company, at least initially.

Long-term revenue visibility and successful contract wins and deployments are the right path to long-term financial stability and success, which will only be possible with the continued support of our stakeholders. We are grateful to our shareholders for emboldening us to continue investing in our business model, and to our partners and our team for their continued good work.

The sales pipeline remains healthy, with several open opportunities in which Mirada has been already shortlisted and which await a final decision in the upcoming months. We are hopeful those customers will follow the path shown by ATNi and Digital TV Cable, and will enable us to announce new contract wins shortly.

**Jose Luis Vazquez**
**Chief Executive Officer**
**21 December 2017**

## Consolidated income statement

| | 6 months ended 30 September 2017 (Unaudited) | 6 months ended 30 September 2016 (Unaudited) |
|---|---|---|
| | **$000** | **$000** |
| **Revenue** | 3,467 | 3,788 |
| Cost of sales | (361) | (205) |
| **Gross profit** | **3,106** | **3,583** |
| Depreciation | (29) | (15) |
| Amortisation | (1,554) | (1,340) |
| Share-based payment charge | (35) | (35) |
| Other administrative expenses | (4,273) | (3,632) |
| **Total administrative expenses** | **(5,891)** | **(5,022)** |
| **Operating loss** | **(2,785)** | **(1,439)** |
| Finance income | 2 | - |
| Finance expense | (135) | (265) |
| **Loss before taxation** | **(2,918)** | **(1,704)** |
| Taxation | 91 | 41 |
| **Loss for period** | **(2,827)** | **(1,663)** |

The above amounts are attributable to the equity holders of the parent Company.

## Consolidated statement of comprehensive income

| | 6 months ended 30 September 2017 (Unaudited) | 6 months ended 30 September 2016 (Unaudited) |
|---|---|---|
| | **$000** | **$000** |
| (Loss) for the period | (2,827) | (1,663) |
| Other comprehensive loss: | | |
| Currency translation differences | 1,642 | 328 |
| Total other comprehensive profit | 1,642 | 328 |
| Total comprehensive loss for the year | **(1,185)** | **(1,335)** |

## Consolidated statement of financial position

| | 6 months ended 30 September 2017 (Unaudited) | Year ended 31 March 2017 (Audited) |
|---|---|---|
| | **$000** | **$000** |
| Goodwill | 6,221 | 5,643 |
| Other Intangible assets | 6,609 | 5,936 |
| Property, plant and equipment | 212 | 141 |
| Other Receivables | 849 | 635 |
| **Non-current assets** | **13,891** | **12,355** |
| Trade receivables | 1,255 | 999 |
| Other receivables | 2,153 | 2,215 |
| Cash and cash equivalents | 1,319 | 277 |
| **Current assets** | **4,727** | **3,491** |
| **Total assets** | **18,618** | **15,846** |
| Loans and borrowings | (6,135) | (2,655) |
| Trade and other payables | (1,647) | (1,384) |
| Deferred income | (3,010) | (1,844) |
| **Current liabilities** | **(10,792)** | **(5,883)** |
| **Net current (liabilities)** | **(6,065)** | **(2,392)** |
| **Total assets less current liabilities** | **7,826** | **9,963** |
| Interest bearing loans and borrowings | (2,760) | (2,875) |
| **Non-current liabilities** | **(2,760)** | **(2,875)** |
| **Total liabilities** | **(13,552)** | **(8,758)** |
| **Net assets** | **5,066** | **7,088** |
| **Issued share capital and reserves attributable to equity holders of the company** | | |
| Share capital | 12,809 | 12,809 |
| Share premium | 15,760 | 15,760 |
| Other reserves | 15,935 | 14,293 |
| Retained earnings | (39,438) | (35,774) |
| **Equity** | **5,066** | **7,088** |

# Consolidated statement of cash flows

| | 6 months ended 30 September 2017 (Unaudited) | 6 months ended 30 September 2016 (Unaudited) |
|---|---|---|
| | **$000** | **$000** |
| **Cash flows from operating activities** | | |
| Loss after tax | (2,827) | (1,663) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 29 | 15 |
| Amortisation of intangible assets | 1,554 | 1,340 |
| Share-based payment charge | 35 | 35 |
| Finance income | (2) | - |
| Finance expense | 135 | 265 |
| Taxation | (91) | (41) |
| **Operating cash flows before movements in working capital** | **(1,167)** | **(49)** |
| | | |
| Decrease in trade and other receivables | 408 | 2,406 |
| Increase in trade and other payables | 1,430 | (1,186) |
| Decrease in defered tax asset | - | (16) |
| **Net cash (used in)/generated from operating activities** | **671** | **1,155** |
| | | |
| **Cash flows from investing activities** | | |
| Interest and similar income received | 2 | - |
| Purchases of property, plant and equipment | (87) | (23) |
| Purchases of other intangible assets | (1,692) | (1,283) |
| **Net cash used in investing activities** | **(1,777)** | **(1,306)** |
| | | |
| **Cash flows from financing activities** | | |
| Interest and similar expenses paid | (135) | (265) |
| Loans received | 3,961 | 3,837 |
| Repayment of loans | (579) | (2,818) |
| **Net cash from financing activities** | **3,247** | **754** |
| | | |
| **Net increase in cash and cash equivalents** | **2,141** | **603** |
| | | |
| Cash and cash equivalents at the beginning of the period | 277 | 1,025 |
| Exchange losses on cash and cash equivalents | (1,099) | (570) |
| **Cash and cash equivalents at the end of the year** | **1,319** | **1,057** |

Cash and cash equivalents comprise cash at bank less bank overdrafts.

## 1. Basis of Preparation

These interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board (“IASB”) as adopted for use in the EU. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 March 2017 Annual Report. The financial information for the half-years ended 30 September 2017 and 30 September 2016 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Mirada plc are prepared in accordance with IFRS as adopted by the European Union. The comparative financial information for the year ended 31 March 2017 included within this report does not constitute the full statutory Annual Report and Financial Statements for that period. The statutory Annual Report and Financial Statements for the year to 31 March 2017 have been filed with the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statement for 2016 was unqualified, but did include a reference to the uncertainties surrounding going concern, to which the auditors drew attention by way of emphasis, and did not contain a statement under 498 (2) or 498 (3) of the Companies Act 2006.

After making enquiries, the directors have concluded that the Group has adequate resources to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly consolidated financial statements.

The same accounting policies, presentation and methods of computation are followed in these interim consolidated financial statements as were applied in the Group’s latest annual audited financial statements. In addition, the IASB have issued a number of IFRS and IFRIC amendments or interpretations since the last Annual Report was published. It is not expected that any of these will have a material impact on the Group. The Board of Directors approved this interim report on 20 December 2017.

The Board decided to change the reporting currency for this year due to the growing exposure to the US Dollar, as all major contracts and most on the new potential deals for the Company are denominated in this currency.

## 2. Earnings before interest, taxation, depreciation, amortisation and share-based charge

Reconciliation of operating loss to profit before interest, taxation, depreciation, amortisation and share-based payment charge:

| | **6 months ended 30 September 2017 (Unaudited)** | **6 months ended 30 September 2016 (Unaudited)** |
|---|---|---|
| | **$000** | **$000** |
| Operating (loss) / profit | (2,785) | (1,439) |
| Depreciation | 29 | 15 |
| Amortisation | 1,554 | 1,340 |
| Operating (loss)/profit before interest, taxation, depreciation and amortisation (EBITDA) | (1,202) | (84) |
| Share-based payment charge | 35 | 35 |
| Operating (loss)/profit before interest, taxation, depreciation, amortisation and share-based payment charge (Adjusted EBITDA) | (1,167) | (49) |

## 3. (Loss) per share

| | 6 months ended 30 September 2017 (Unaudited) | 6 months ended 30 September 2016 (Unaudited) |
|---|---|---|
| Loss for period | $(2,827,470) | $(1,664,302) |
| Weighted average number of shares | 139,057,695 | 139,057,695 |
| Basic loss per share | $(0.020) | £(0.012) |
| Diluted loss per share | $(0.020) | £(0.012) |

## Adjusted (loss)/earning per share

Adjusted earnings per share is calculated by reference to the (loss)/profit from continuing activities before interest, taxation, amortisation and depreciation and share-based payment charge (see note 2).

| | 6 months ended 30 September 2017 (Unaudited) | 6 months ended 30 September 2016 (Unaudited) |
|---|---|---|
| Adjusted EBITDA | $(1,167,267) | $(49,095) |
| Weighted average number of shares | 139,057,695 | 139,057,695 |
| Basic adjusted EBITDA per share | $(0.008) | £(0.000) |
| Diluted adjusted EBITDA per share | $(0.008) | £(0.000) |

The Company may issue up to 4,697,166 (2016: 4,697,166) additional ordinary shares arising in connection with existing share options granted to staff, management and directors.

## 4. Related party transactions

After the period end, on 28 November 2017, the Company announced it had entered into agreement for the provision to the Company of unsecured one-year loan facilities of up to an aggregate amount of £1.7 million (together, the "Facility"). The Facility has certain conditional subscription rights. The proceeds from the Facility are to be used alongside Mirada's existing financing facilities for the general working capital purposes of the Company, including for the implementation of the contracts with ATN International, Inc. ("ATNi") and Digital TV Cable Edmund S.R.L ("Digital TV Cable").

## 5. Cautionary statement

The Company has made forward-looking statements in this announcement, including statements about the market for and benefits of its products and services, financial results, the potential benefits of business relationships with third parties and business strategies. These statements about future events are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those that might be inferred from the forward-looking statements. The Company and its Directors can make no assurance that any forward-looking statements will prove correct.

## 6. Other

Copies of unaudited interim results have not been sent to shareholders. However, copies will shortly be available from the Company's website: www.mirada.tv/public-documents and will also be available on request from the Company Secretary at the Company's registered office, 68 Lombard Street, London, EC3V 9LJ.