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.

28 December 2022

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

Interim results for the six months to 30 September 2022

Mirada plc (AIM: MIRA), a leading provider of integrated software and solutions for Digital TV operators and broadcasters, announces its unaudited interim results for the six months to 30 September 2022.

Financial Highlights

- Revenue from activities decreased $0.73m (12.3%) to $5.26m (H1 2021: $5.99m) due to the investment in product to be deployed during the second half of the year, which will have a higher level of professional services and associated turnover.
- Reduction in administrative expenses of $0.49m (7.3%) to $6.22m (H1 2021: $6.70m).
- EBITDA* profit decreased 22% to $0.88m (H1 2021: $1.12m).
- Net Debt** decreased to $7.33m at 30 September 2022 (31 March 2022: $8.59m).
- Extension to the term of the €3.00 million revolving credit facility with the Company's largest investor to 30 November 2023.

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

Operational Highlights

- Increased commercial activity due to the end of the Covid-19 pandemic, especially in Latin America and South East Asia.
- Continued strong pace of deployment of Mirada Android TV-based technology.
- New contract win in September with SkyTel in Mongolia.

Post-period highlights

- Advanced negotiations with new customers in Latin America and EMEA.

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

"Mirada has continued to build on the momentum established in FY22, capitalising on emerging trends and consolidating the widely recognised quality of our products by further embedding our technology within existing customers and expanding our customer base.

Following a difficult period for the sector which has seen the Company navigate a number of testing macroeconomic headwinds, it is pleasing to see customers beginning to once again invest in our products and services. With this trend expected to continue, we are confident that Mirada is in a strong position, with a solid runway to execute on our strong pipeline of contracts.

As previously announced, our advanced negotiations with key strategic customers in Latin America and EMEA serve to validate our business model and highlight the opportunity for Mirada as new customers recognise the value of our products and services."

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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 2022.

We had an encouraging start to the financial year, both in subscriber-based licence revenue, due to the sustained pace of deployment of our Android-TV based software, and in professional services. Although the majority of the revenue in this area is expected in the second half of the year due to the timing of our product deployments, we are satisfied with the progress in the first half. The growing commercial momentum, including the success seen in the Asian market and the potential new contracts in Latin America, are encouraging signs of the market recovery post-pandemic, and we believe that we have emerged stronger than ever from the turbulence of the last two years.

Post-period, we have been able to quickly progress on new contract negotiations, particularly in the Latin America and EMEA regions, which if executed will mean strong growth prospects, especially during the next two fiscal years.

We are, as always, incredibly grateful to our shareholders, partners, customers and employees. In difficult markets, there are companies that cannot maintain growth and companies that learn to survive and profit on the new emerging trends. We are confident that we have been able to strengthen Mirada and are able to benefit from these emerging trends as we navigate the challenges and work towards sustainable growth.

Capitalising on a changing landscape

The technology sector is experiencing an era of rapid change and Mirada is at the very forefront. The increased capabilities of artificial intelligence, the ubiquitous access to broadband connectivity and the possibilities of virtual and augmented reality are just a few examples of how technology is advancing at pace, and the opportunity is there for Mirada to capitalise.

Mirada has already shown its ability to take advantage of the ever-changing trends in the market by becoming a leading provider of Android TV-powered software in the wake of consumer demand in the pandemic. Within the sector, there are a number of opportunities as customer demands continually evolve and these include the incredible growth of streaming video, the transition to remote working and the shift of news and media, from broadcast to personalised and on-demand.

During the last few months, we have seen how the ‘Over The Top’ (OTT) market, especially Subscription Video On Demand (SVoD) services like Netflix, have reached a “plateau” as a result of the maturity of adoption of these entertainment modes. Trends like ‘FAST’ (Free ad-supported streaming TV) and ‘aVoD’ (Advertising-based Video On Demand) continued to grow as customers became more price sensitive due to the increased cost of living. Subscription models are transitioning to a hybrid form, offering advertising tiers to capture those segments while they start to explore ways to reduce the widely reported account-sharing problem; all clear signs of the technologies reaching maturity.

We have seen the emergence and consolidation of the super-aggregation models, and now we have traditional pay-TV operating alongside Direct-To-Consumer content, allowing both worlds to profit together from new streaming trends.

Mirada has been an active player in this field, reducing the gap between both worlds, and integrating streaming platforms into the pay-TV players as a new way to bring all available content into one simple search, aggregation, recommendation and viewing interface. We are proud to have been able to help our customers transition from the old grid model to the new advanced anytime anywhere user experiences that customers now demand. Our ability to bring these technologies to several devices, including the fast-growing Android-TV based set-top boxes, is one of the key achievements of Mirada over the last few years.

Customer rollouts

Our largest customer, izzi Telecom (part of the Televisa Group) in Mexico, continued deploying our product over the available devices, including Linux boxes (our legacy platform), the new Android-TV based boxes, and companion devices including phone and web-based consumer electronics. As at 30 September 2022, more than 3.7 million households in Mexico were using Mirada technology, with nearly 40% of them being companion devices users, with sustained rapid growth of the Android-TV base.

With ATN International, we are working on deploying our new product lines into their two present properties (Viya in Bermuda and OneComm in US Virgin Islands). SkyTel in Mongolia is on track for the deployment of our full product suite after the contract announcement in September. Zapi in Spain is steadily growing its installed base, with an updated version of our product. Further deployments will allow these and other customers to easily integrate new content providers as they reach distribution agreements. Digital TV Edmund in Bolivia restarted commercial activities after the pandemic, and the aim is to have the new product suite completely deployed over the next quarter.

Funding requirements

On 26 September 2022 the Company announced the extension of the €3.0 million debt facility granted by a related party. The facility is being provided by Leasa Spain, S.L.U. ("Leasa" or the "Lender"). The Lender is incorporated in Spain and ultimately owned by Mr Ernesto Luis Tinajero Flores who has a total beneficial interest of 87.21% of Mirada's total voting rights. The term of the Facility was extended until 30 November 2023 ("Maturity Date"), although the Company retains the option to repay any drawn amounts earlier. Post-period end, the Company announced an increase of the facility to €4.37 million as a result of forecast working capital needs to continue supporting the growth of the Group.

Financial Overview

Revenue from activities was $5.26 million for the six months to 30 September 2022 (H1 2020: $5.99 million), a $0.73 million decrease on the same period last year. This decrease is mainly a result of a reduced revenue recognition of professional services during the period related to timings on the deployments at customers, with most of them happening during the second half of the year.

EBITDA decreased $0.22 million to $0.88 million (H1 2021: $1.12 million). EBITDA in this context is defined as earnings before interest, tax, depreciation, amortisation and share-based payments.

Loans and borrowings decreased by $1.2 million to $7.41 million (31 March 2022: $8.61 million). Of these facilities, $1.00 were long-term credit lines, $1.29 million were long-term bank loans, $1.00 million were long-term zero-coupon loans from Spanish Government entities, $3.05 million was the facility from Leasa, $0.24 million were short-term credit lines, $0.30 million were short-term bank loans, $0.18 million were short-term zero-coupon loans from Spanish Government entities, and $0.35 million were short-term invoice factoring facilities. Cash and cash equivalents increased to $0.87 million at the end of the period (31 March 2022: $0.25 million). Net Debt decreased to $7.33 million (31 March 2022: $8.59 million).

Outlook

Mirada is experiencing an increased level of activity among new potential customers in the three main areas of the market: Americas, where it is a well-known and established provider; APAC, where the increased commercial and marketing activity is resulting in a strong pipeline of potential new contracts; and EMEA, with new prospects appearing over the period. We are confident that this level of activity will result in new announcements over the next few months and, in combination with the sustained growth of our licence-based revenues and a stable activity on professional services, will result in a continued improvement in our financial performance.

Jose Luis Vazquez

Chief Executive Officer
23 December 2022

Consolidated Income Statement

for the six months ended 30 September 2022

	6 months ended 30 September 2022 (Unaudited) $000	6 months ended 30 September 2021 (Unaudited) $000
Revenue	5,257	5,992
Cost of sales	(145)	(369)
Gross profit	**5,112**	**5,623**
Depreciation	(106)	(168)
Amortisation	(1,873)	(2,037)
Other administrative expenses	(4,237)	(4,499)
Total administrative expenses	**(6,216)**	**(6,704)**
Operating profit/ (loss)	**(1,104)**	**(1,081)**
Finance expense	(207)	(124)
Foreign currency translation differences	284	(11)
Profit/(loss) before taxation	**(1,027)**	**(1,216)**
Taxation	(120)	(48)
Profit/(Loss) for period	**(1,147)**	**(1,264)**

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

Consolidated statement of comprehensive income for the six months ended 30 September 2022

	6 months ended 30 September 2022 (Unaudited) $000	**6 months ended 30 September 2021 (Unaudited) $000**
(Loss)/profit for the period	(1,147)	(1,264)
Other comprehensive loss:		
Currency translation differences	(329)	(31)
Total other comprehensive profit/(loss)	(329)	(31)
Total comprehensive (loss)/profit for the year	**(1,476)**	**(1,295)**

Consolidated statement of financial position

as at 30 September 2022

	As at 30 September 2022 (Unaudited) $000	As at 31 March 2022 (Audited) $000
Goodwill	4,541	5,151
Other Intangible assets	5,996	7,046
Right of use assets	134	195
Property, plant and equipment	119	161
Other Receivables	132	334
Non-current assets	**10,922**	**12,887**
Trade receivables	5,447	4,986
Cash and cash equivalents	87	25
Current assets	**5,534**	**5,011**
Total assets	**16,456**	**17,898**
Loans and borrowings	(1,068)	(1,856)
Related parties loans and interests	(194)	(94)
Trade and other payables	(3,648)	(1,743)
Contract liabilities	(2,005)	(1,403)
Lease liabilities	(84)	(96)
Current liabilities	**(6,999)**	**(5,192)**
Net current assets	**(1,465)**	**(181)**
Total assets less current liabilities	**9,457**	**12,706**
Related parties loans	(2,852)	(2,557)
Interest bearing loans and borrowings	(3,299)	(4,106)
Lease liabilities	(55)	(105)
Trade and other payables	-	(1,210)
Non-current liabilities	**(6,206)**	**(7,978)**
Total liabilities	**(13,205)**	**(13,170)**
Net assets	**3,251**	**4,728**
Issued share capital and reserves attributable to equity holders of the company		
Share capital	12,015	12,015
Merger reserve	4,863	4,863

Foreign exchange reserves	13,133	13,462
Accumulated loss	(26,760)	(25,612)
Equity	**3,251**	**4,728**

Consolidated statement of changes in equity for the six months ended 30 September 2022

	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 1 April 2022	**12,015**	**-**	**13,462**	**4,863**	**(25,612)**	**4,728**
Profit for the period	-	-	-	-	(1,147)	(1,147)
Other comprehensive income						
Movement in foreign exchange	-	-	(329)	-	-	(329)
Total comprehensive loss for the period	12,015	-	13,133	4,863	(26,760)	3,251
Transactions with owners						
Share based payment	-	-	-	-	-	-
Balance at 30 September 2022	**12,015**	**-**	**13,133**	**4,863**	**(26,760)**	**3,251**

	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 1 April 2021	**12,015**	**-**	**13,761**	**4,863**	**(22,741)**	**7,898**
Profit for the period	-	-	-	-	(1,264)	(1,264)
Other comprehensive income						
Movement in foreign exchange	-	-	(31)	-	-	(31)
Total comprehensive loss for the period	12,015	-	13,730	4,863	(24,005)	6,603
Transactions with owners						
Share based payment	-	-	-	-	-	-
Balance at 30 September 2021	**12,015**	**-**	**13,730**	**4,863**	**(24,005)**	**6,603**

Consolidated statement of cash flows
for the six months ended 30 September 2022

	6 months ended 30 September 2022 (Unaudited) $000	6 months ended 30 September 2021 (Unaudited) $000
Cash flows from operating activities		
Loss after tax	(1,147)	(1,264)
Adjustments for:		
Depreciation of property, plant and equipment	106	168
Amortisation of intangible assets	1,873	2,037
Finance expense	207	124
Foreign currency translation differences	(284)	11
Taxation	120	48
Operating cash flows before movements in working capital	**875**	**1,124**
Decrease in trade and other receivables	878	260
Increase in trade and other payables	598	20
Interest paid	(5)	(4)
Taxation paid	(258)	(227)
Net cash generated from operating activities	**2,088**	**1,173**
Cash flows from investing activities		
Interest and similar income received	-	-
Purchases of property, plant and equipment	(2)	(1)
Purchases of other intangible assets	(1,550)	(1,872)
Net cash used in investing activities	**(1,552)**	**(1,873)**
Cash flows from financing activities		
Interest and similar expenses paid	(202)	(119)
Payment of principal on lease liabilities	(82)	(135)
Loans received	-	400
Related parties loans received	685	1,302
Repayment of loans	(888)	(517)
Net cash from financing activities	**(487)**	**931**
Net increase in cash and cash equivalents	**49**	**231**
Cash and cash equivalents at the beginning of the period	25	107
Exchange losses on cash and cash equivalents	13	200
Cash and cash equivalents at the end of the year	**87**	**538**

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

1. Basis of Preparation

These interim financial statements have been prepared in accordance with the recognition and measurement requirements of 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 2022 Annual Report. The financial information for the 6 months ended 30 September 2022 and 30 September 2021 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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 2022 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 2022 have been filed with the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statements was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498 (2) or 498 (3) of the Companies Act 2006.

The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 March 2022 and are those which will form the basis of the 2023 financial statements.

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 Board of Directors approved this interim report on 23 December 2022.

2. Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

3. 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 2022 (Unaudited) $000	6 months ended 30 September 2021 (Unaudited) $000
Operating loss	(1,104)	(1,081)
Depreciation	106	168
Amortisation	1,873	2,037
Operating profit before interest, taxation, depreciation and amortisation (EBITDA)	875	1,124

4. Loss per share

	6 months ended 30 September 2022 (Unaudited)	6 months ended 30 September 2021 (Unaudited)
Loss for period	$(1,147,109)	$(1,264,059)
Weighted average number of shares	8,908,435	8,908,435
Basic loss per share	$(0.129)	$(0.142)

Adjusted loss per share

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

	6 months ended 30 September 2022 (Unaudited)	6 months ended 30 September 2021 (Unaudited)
Adjusted EBITDA	$875,075	$1,124,292
Weighted average number of shares	8,908,435	8,908,435
Basic adjusted EBITDA per share	$0.098	$0.126

The total outstanding share options on 30 September 2022 was 40,594 (41,483 at 30 September 2021).

5. Revenue from contracts with customers

Disaggregation of revenue

6 months ended 30 September 2022	Development	Licenses	Managed services	Total
	$000	$000	$000	$000
Mexico	1,144	2,334	938	4,415
Europe	233	10	176	419
Other Americas	226	171	-	398
Asia	25	-	-	25
	1,628	2,515	1,114	5,257
Revenue recognised over a period	1,343	2,515	961	4,819
Revenue recognised at a point in time	285	-	153	438
	1,628	2,515	1,114	5,257

6 months ended 30 September 2021	Development	Licenses	Managed services	Total
	$000	$000	$000	$000
Mexico	1,922	2,127	697	4,746
Europe	231	73	160	464
Other Americas	121	576	-	697
Asia	52	-	33	85
	2,326	2,776	890	5,992
Revenue recognised over a period	1,779	2,703	812	5,294
Revenue recognised at a point in time	547	73	78	698
	2,326	2,776	890	5,992

6. Related party transactions

On 23 September 2022, Mirada Plc, has agreed an extension to the term of its €3.00 million credit facility granted by Leasa Spain, S.L.U. The term of the Facility has been extended by 12 months and now expires on 30 November 2023. The Board of Mirada considered it prudent to extend the Maturity Date in order to provide liquidity to the group in a period of forecasted growth due to the increased level of commercial activity.

7. 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.

8. Other

Copies of the unaudited interim results have not been sent to shareholders. However, copies will shortly be available from the Company's website: **https://www.mirada.tv/investors/financial-results/**.