30 December 2015

mirada plc

(AIM: MIRA)

("mirada", "the Company" or "the Group")

Interim results for the six months to 30 September 2015

mirada plc, the AIM quoted leading audiovisual content interaction specialist, announces its unaudited interim results for the six months to 30 September 2015.

This was a busy period for the Company as it saw the continued commercial roll out of its iris inspire product over the first Televisa cable network in Monterrey and completion of the development of the new Over the Top ("OTT") suite. The Televisa contract proved a useful reference point with the Company pitching for a number of significant potential new Tier 1 and Tier 2 contracts.

Operational Highlights

- Interim results ahead of last year, and on track for full year performance to be in line with market expectations.
- Continued commercial deployment of the first Televisa network (Cablevision Monterrey), roll out 20% ahead of management expectations.
- Next two networks (Cablevisión and Cablemás, both with headquarters in Mexico City) expected to deploy mirada products commercially at the end of the current financial year.
- Two additional networks (Cablecom and Telecable) added to the Televisa Group, which substantially increased the contract's long- term value.
- Successful deployment of the mirada designed user experience for Movistar+ in Spain.

Key Points

- Revenue of £2.26 million (H1 2014: £2.19 million) during the six months to 30 September 2015.
- Increased adjusted EBITDA* of £0.18 million (H1 2014: £0.09 million loss), further increase expected once the Mexico City Televisa networks start their commercial roll out.
- Professional services fees expected to drive second half revenue higher in advance of the deployment of two additional networks in Mexico.
- The Board is confident of generating positive free cash flow during the new financial year (FY17).

*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and share based payment charges

Post period highlights

- Strengthened the Board with the appointment of Gonzalo Babío (CFO) as an Executive Director. Rafael Martín Sanz stepped down as non-executive director to pursue other business interests.
- Placing on 24th November 2015 of 25,000,000 ordinary shares of 1 penny each to raise £1.5 million (6p per share), primarily subscribed by major shareholders, board and management.
- Good progress with Tier 1 and Tier 2 prospects.

Commenting on the future outlook of the Group, José Luis Vázquez, CEO of mirada, said:

"The commercial roll out of our new inspire product in Mexico marked a milestone for the Company and demonstrated our ability to manage large projects on behalf of Tier 1 customers. After several months of usage by a large number of subscribers, we are happy to report that the superior quality and performance of our products has been proven. We are confident that the product will receive a warm welcome amongst end subscribers when launched elsewhere in Mexico at the end of the current fiscal year."

“We now have a suite of seamlessly integrated products, that enables customers to manage TV experience from a tablet or smartphone and to move content from one screen to another. In Televisa’s selection of our OTT solution we have gained a key reference that should help us win other deals. In addition, the OTT product opens an attractive new business line for mirada. The Company has recently been invited to submit proposals for important new business.”

“The team is performing well and is fully deployed on the projects announced in recent months. The immediate priority is the commercial roll out of the larger networks at Televisa, while continuing to develop our product suite.

“Our main shareholders have been supportive, having for the most part participated in the recent placing that reinforced our balance sheet. Meanwhile, we are working hard to increase our footprint among new customers.”

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Chief Executive Officer’s Statement

Overview

I am pleased to present the Group’s financial results for the six months ended 30 September 2015. During this period the Company’s flagship product, iris inspire, was commercially deployed in the first cable network in Mexico, Cablevisión Monterrey, and enjoyed growth ahead of expectations, ending the period with more than 100,000 set-top boxes spread among over 60,000 households. Additionally, the customer reported that the Video on Demand service was much more widely used than on the legacy platform – an endorsement of the quality of our product and offering our customers a better return on investment.

During the period the Company has been progressing successfully with the development of additional functionalities for the next generation of the iris inspire product, and further customisation of the services deployed for the Televisa Group. Although for internal reasons, Televisa delayed the launch of the commercial service over the next two networks to the end of mirada’s fiscal year, it continued to contract further professional services. These largely compensated for the delay in the subscriber-based license fees, albeit at a lower margin. As previously announced, the Board expects the next two networks at Televisa will be commercially rolled-out by April 2016, and the Board is confident that the other recently acquired cable networks will also start using the mirada products during the new fiscal year.

The team completed the OTT product, which has become an integral part of the iris inspire proposition, on time. Customers can now choose either the classic set-top box-based product or the full proposition, enabling integrated interface with the TV and other available screens (web, tablets, smartphones). A subscriber can select content, pause or play TV from companion devices, or move content from screen to screen. Customers can also choose the mirada OTT product without the need of a “living room proposition”, thereby expanding the potential user base.

We continue developing relationships with partners – set-top box vendors, conditional access suppliers, content delivery network suppliers – who are expanding mirada's reach to customers in regions we would otherwise struggle to reach. Such partners are able to demonstrate the system and its benefits on our behalf and in this way we have been invited to participate in new territories in Central and Eastern Europe and Africa. Mirada is also reinforcing its presence through local players in these new markets (resellers and integrators) to service the new opportunities.

Financial Overview

Turnover was £2.26 million (H1 2014: £2.19 million). Professional services fees relating to the deployment of two additional networks in Mexico City will be recognised in the second half of the year.

Revenues in the Americas remained strong at 77% of the total revenues (H1 2014: 61%), in line with expectations.

Adjusted EBITDA was £0.18 million (H1 2014: £0.09 million loss), a £0.27 million improvement.

Operating Losses were £0.61 million (H1 2014: £0.70 million loss), a £0.09 million improvement.

Loans and borrowings increased by £0.96 million to £3.77 million (March 2015: £2.81 million). The additional funding was required to speed-up product development and incorporate additional functionalities for the next two networks. Cash and cash equivalents increased to £0.35 million at the end of the period (March 2015: £0.21 million).

Post period end, the Company completed an equity placing of £1.5 million on 24th November 2015, with the backing of major shareholders, directors and management. The funds are to be used to strengthen mirada's balance sheet and working capital.

Appointments

During the period we were pleased to welcome Gonzalo Babío (CFO) as an Executive Director. The addition of such a highly experienced professional to our Board strengthens our ability to develop our relationships with big telecoms suppliers and improves our financial capabilities and corporate governance, which will be invaluable as we develop our business.

Outlook

The Company is confident that full year revenues will be in line with market expectations, due to the high degree of visibility of revenues until the year-end, mostly from professional services for Televisa. Subscriber-based license fees should start to flow in the new financial year, giving the Board confidence of reaching positive free cash flow over the year starting 1 April 2016.

Jose Luis Vazquez
Chief Executive Officer
30 December 2015

Consolidated income statement for the six months to 30 September 2015

	Note	6 months ended 30 September 2015 (Unaudited) £000	6 months ended 30 September 2014 (Unaudited) £000	Year ended 31 March 2015 (Audited) £000
Revenue	2	**2,264**	**2,191**	**5,657**
Cost of sales		(107)	(124)	(234)
Gross profit		**2,157**	**2,067**	**5,423**
Depreciation		(8)	(9)	(21)
Amortisation		(755)	(575)	(1,187)
Share-based payment charge		(27)	(31)	(61)
Other administrative expenses		(1,973)	(2,154)	(3,869)
Total administrative costs		**(2,763)**	**(2,769)**	**(5,138)**
Operating (loss)/profit	3	**(606)**	**(702)**	**285**
Finance income		-	-	38
Finance expense		(206)	(185)	(436)
(Loss) before taxation		**(812)**	**(887)**	**(113)**
Taxation		12	-	(62)
(Loss)/for period		**(800)**	**(887)**	**(175)**
(Loss) per share				
- basic and diluted	4	(0.7p)	(1.0p)	(0.2p)

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

Consolidated statement of comprehensive income
Six months to 30 September 2015

	6 months ended 30 September 2015 (Unaudited) £000	6 months ended 30 September 2014 (Unaudited) £000	Year ended 31 March 2015 (Audited) £000
(Loss) for the financial period	**(800)**	**(887)**	**(175)**
Currency translation differences	33	(77)	(225)
Total comprehensive (expense) for the period	**(767)**	**(964)**	**(400)**

Consolidated statement of financial position as at 30 September 2015

	30 September 2015 (Unaudited) £000	30 September 2014 (Unaudited) £000	31 March 2015 (Audited) £000
Property, plant and equipment	45	39	41
Goodwill	6,946	6,946	6,946
Intangible assets	3,407	2,389	2,843
Deferred Tax assets	551	523	543
Non-current assets	**10,949**	**9,897**	**10,373**
Trade and other receivables	3,356	1,679	3,565
Cash and cash equivalents	352	1,218	206
Current assets	**3,708**	**2,897**	**3,771**
Total assets	**14,742**	**12,794**	**14,144**
Loans and borrowings	(2,180)	(557)	(1,467)
Trade and other payables	(2,108)	(1,556)	(1,790)
Provisions	(500)	(500)	(500)
Current liabilities	**(4,788)**	**(2,613)**	**(3,757)**
Net current liabilities/assets	**(1,082)**	**284**	**14**
Total assets less current liabilities	**9,867**	**10,181**	**10,387**
Interest bearing loans and borrowings	(1,588)	(1,703)	(1,345)
Other non-current liabilities	(42)	(96)	(66)
Non-current liabilities	**(1,630)**	**(1,799)**	**(1,411)**
Net assets	**8,237**	**8,382**	**8,976**
Issued share capital and reserves attributable to equity holders of the company			
Share capital	1,141	1,141	1,141
Share premium	8,748	8,748	8,748
Other reserves	2,763	2,878	2,730
Accumulated losses	(4,415)	(4,385)	(3,643)
Equity	**8,237**	**8,382**	**8,976**

Consolidated statement of changes in equity
Six months to 30 September 2015

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total £000
At 1 April 2015	**1,141**	**8,748**	**-**	**258**	**2,472**	**(3,643)**	**8,976**
Profit for the financial period	-	-	-	-	-	(800)	(800)
Share based payment	-	-	-	-	-	28	28
Movement in foreign exchange reserve	-	-	-	33	-	-	33
At 30 September 2015	**1,141**	**8,748**	**-**	**291**	**2,472**	**(4,415)**	**8,237**

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total £000
At 1 April 2014	**861**	**5,776**	**-**	**483**	**2,472**	**(3,529)**	**6,063**
Profit for the financial period	-	-	-	-	-	(887)	(887)
Share based payment	-	-	-	-	-	31	31
Issue of shares	280	3,220	-	-	-	-	3,500
Share issue costs	-	(248)	-	-	-	-	(248)
Movement in foreign exchange reserve	-	-	-	(77)	-	-	(77)
At 30 September 2014	**1,141**	**8,748**	**-**	**406**	**2,472**	**(4,385)**	**8,382**

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total £000
At 1 April 2014	**861**	**5,776**	**-**	**483**	**2,472**	**(3,529)**	**6,063**
Profit for the financial period	-	-	-	-	-	(175)	(175)
Share based payment	-	-	-	-	-	61	61
Issue of shares	280	3,220	-	-	-	-	3,500
Share issue costs	-	(248)	-	-	-	-	(248)
Movement in foreign exchange reserve	-	-	-	(225)			(225)
At 31 March 2015	**1,141**	**8,748**	**-**	**258**	**2,472**	**(3,643)**	**8,976**

Consolidated statement of cash flows six months to 30 September 2015

	6 months ended 30 September 2015 (Unaudited)	6 months ended 30 September 2014 (Unaudited)	Year ended 31 March 2015 (Audited)
	£000	£000	£000
Cash flows from operating activities			
(Loss) for the period	(800)	(887)	(175)
Adjustments for:			
Depreciation of property, plant and equipment	8	9	21
Amortisation of intangible assets	755	575	1,187
Share based payment charge	27	31	61
Profit on disposal of fixed assets	-	-	(11)
Finance income	-	-	(38)
Finance expense	206	185	436
Taxation	-	-	62
Operating cash inflows/(outflows) before movements in working capital	**196**	**(87)**	**1,543**
Decrease in trade and other receivables	256	98	(2,144)
Decrease in provisions	-	(76)	(76)
Increase in trade and other payables	270	(802)	(444)
Net cash generated from operating activities	**722**	**(867)**	**(1,121)**
Cash flows from investing activities			
Interest and similar income received	-	2	8
Cash payments receipts for financial investments assets	-	-	(132)
Receipts for financial investment assets	-	-	23
Proceeds from disposal of property, plant and equipment	-	-	11
Purchases of property, plant and equipment	(13)	(13)	(29)
Purchases of other intangible assets	(1,259)	(630)	(1,795)
Net cash used in investing activities	**(1,272)**	**(641)**	**(1,914)**
Cash flows from financing activities			
Net payment to settle derivative	-	-	(121)
Interest and similar expense paid	(206)	(186)	(420)
Issue of share capital	-	3,500	3,500
Costs of share issue	-	(248)	(248)
Loans received	1,379	233	1,254
Repayment of loans	(484)	(432)	(570)
Net cash (used in)/generated from financing activities	**689**	**2,867**	**3,395**
Net (decrease)/increase in cash and cash equivalents	**140**	**1,359**	**360**
Cash and cash equivalents at the beginning of the period	206	(150)	(150)
Exchange gains on cash and cash equivalents	6	9	(4)
Cash and cash equivalents at the end of the period	**352**	**1,218**	**206**

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

Notes to the Accounts

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 2015 Annual Report. The financial information for the half years ended 30 September 2015 and 30 September 2014 do 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 2015 included within this report does not constitute the full statutory Annual Report for that period. The statutory Annual Report and Financial Statements for the year to 31 March 2015 have been filed with the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statement for 2015 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.

After making enquiries, the directors have concluded that the Group have 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 29 December 2015.

2. Segmental reporting

For management purposes the Group is currently organised into two operating divisions based upon the varying products and services provided by the Group –Digital TV & Broadcast and Mobile (which includes Interactive Marketing and Mirada Connect). The segment headed other relates to corporate overheads.

Segmental results for the 6 months ended 30 September 2015 are as follows:

	Digital TV &Broadcast	Mobile	Other	Group
	£000	£000	£000	£000
Revenue - external	2,007	257	-	2,264
Gross profit	2,002	155	-	2,157
Profit/(loss) before interest, tax, depreciation & amortisation	504	79	(399)	184
Depreciation	(8)	-	-	(8)
Amortisation	(743)	(11)	-	(754)
Share Option charges	-	-	(27)	(27)
Finance income	-	-	-	-
Finance expense	-	-	(206)	(206)
Taxation	12	-	-	12
Segmental profit/(loss)	**(235)**	**68**	**(632)**	**(799)**

Segmental results for the 6 months ended 30 September 2014 are as follows:

	Digital TV &Broadcast	Mobile	Other	Group
	£000	£000	£000	£000
Revenue - external	1,978	195	18	2,191
Gross profit	1,934	115	18	2,067
Profit/(loss) before interest, tax, depreciation & amortisation	91	54	(233)	(87)
Depreciation	(7)	-	(2)	(9)
Amortisation	(547)	(12)	(15)	(575)
Share Option charges	-	-	(31)	(31)
Finance income	-	-	-	-
Finance expense	-	-	(185)	(185)
Segmental profit/(loss)	**(463)**	**41**	**(466)**	**(887)**

Segmental results for the year ended 31 March 2015 are as follows:

	Digital TV &Broadcast	Mobile	Other	Group
	£000	£000	£000	£000
Revenue - external	5,232	425	-	5,657
Gross profit	5,175	248	-	5,423
Profit/(loss) before interest, tax, depreciation & amortisation	2,086	91	(634)	1,543
Depreciation	(17)	(1)	(3)	(21)
Amortisation	(1,162)	(25)	-	(1,187)
Profit on sale	-	-	11	11
Share based payment charge	-	-	(61)	(61)
Finance income	-	-	38	38
Finance expense	-	-	(436)	(436)
Taxation	(62)	-	-	(62)
Segmental profit/(loss)	**845**	**65**	**(1,085)**	**(175)**

Revenue by location of customer

	6 months ended 30 September 2015 (Unaudited) £000	6 months ended 30 September 2014 (Unaudited) £000	Year ended 31 March 2015 (Audited) £000
UK	301	327	593
Spain	224	463	953
Continental Europe	-	46	52
Americas	1,739	1,355	4,059
Total	**2,264**	**2,191**	**5,657**

3. Earnings before interest, taxation, depreciation, amortisation and share-based payment charge

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

	6 months ended 30 September 2015 (Unaudited) £000	6 months ended 30 September 2014 (Unaudited) £000	Year ended 31 March 2015 (Audited) £000
Operating loss	(606)	(702)	285
Depreciation	8	9	21
Amortisation of deferred development costs	755	575	1,187
Share-based payment charge	27	31	61
Profit/(loss) before interest, taxation, depreciation and amortisation	**184**	**(87)**	**1,543**

4. (Loss) per share

	6 months ended 30 September 2015 (Unaudited)	6 months ended 30 September 2014 (Unaudited)	Year ended 31 March 2015 (Audited)
(Loss) for period	(£799,540)	(£887,041)	(£175,078)
Weighted average number of shares	114,057,695	90,353,585	104,315,229
Basic earnings/(loss) per share	**£ (0.007)**	**£ (0.01)**	**£ (0.002)**

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 3).

	6 months ended 30 September 2015 (Unaudited)	6 months ended 30 September 2014 (Unaudited)	Year ended 31 March 2015 (Audited)
Adjusted profit for period	£184,059	(£87,283)	£1,543,178
Basic adjusted earnings/(loss) per share	**£0.002**	**£ (0.001)**	**£0.015**
Diluted adjusted earnings/(loss) per share	**£0.002**	**£ (0.001)**	**£0.014**

The Company may issue up to 5,602,238 (2014: 5,602,238) additional ordinary shares arising in connection with share options issued to staff.

5. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

6. Cautionary statement

Mirada plc has made forward-looking statements in this press release, 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 Mirada plc's actual results to differ materially from those that might be inferred from the forward-looking statements. Mirada plc can make no assurance that any forward-looking statements will prove correct.

7 Other

Copies of unaudited interim results have not been sent to shareholders,. However, copies are available on request from the Company Secretary at the Company's registered office, 68 Lombard Street, London, EC3V 9LJ.