

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if not, from another appropriately authorised independent adviser.

This document, which comprises an AIM admission document prepared in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading of the entire issued and to be issued ordinary share capital of the Company to trading on AIM. This document contains no offer of transferable securities to the public within the meaning of sections 85 and 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by, or filed with, the FCA or any other competent authority.

Application has been made for the ordinary share capital of the Company, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 19 December 2017. The new Ordinary Shares to be issued pursuant to the Placing will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Directors (whose names, addresses and functions appear on page 7 of this document) and the Company (whose registered office appears on page 7 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read this document in its entirety. An investment in the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part III of this document in particular.

Mirriad

Mirriad Advertising plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 09550311)

Placing of 42,258,065 Ordinary Shares of £0.00001 each at 62 pence per share and Admission to trading on AIM

Nominated Adviser, Broker and Joint Bookrunner
Numis Securities Limited

Joint Bookrunner
Baden Hill
(a trading name of
Northland Capital Partners Limited)

Ordinary share capital immediately following Admission

Issued and fully paid

Ordinary shares of £0.00001 each

Amount
£1,018.97

Number
101,896,911

Numis Securities Limited ("Numis") and Baden Hill a trading name of Northland Capital Partners Limited ("Baden Hill"), both of which are authorised and regulated in the United Kingdom by the FCA, are acting for the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Numis or Baden Hill or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Numis' responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on either Numis or Baden Hill by the FSMA or the regulatory regime established thereunder, neither Numis nor Baden Hill accepts any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Each of Numis and Baden Hill accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website www.mirriadplc.com.

PRESENTATION OF INFORMATION

1. General

Prospective investors should only rely on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or the Joint Bookrunners. No representation or warranty, express or implied, is made by either of the Joint Bookrunners as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by either of the Joint Bookrunners as to the past, present or future. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary admission document pursuant to the AIM Rules for Companies, neither the delivery of this document nor any subscription or sale made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document.

The Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or material inaccuracy arises or is noted relating to the information included in this document. Any supplementary admission document will be made public in accordance with the AIM Rules for Companies.

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorised under the FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investing in and holding the Ordinary Shares involves financial risk. Prior to investing in the Ordinary Shares, prospective investors should carefully consider all of the information contained in this document, paying particular attention to the section entitled Risk Factors in Part III of this document. Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information contained in this document and their personal circumstances.

Each of Numis and Baden Hill, both of which are regulated in the United Kingdom by the FCA, is acting for the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to their respective clients or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Numis' responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire Ordinary Shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on either Numis or Baden Hill by the FSMA or the regulatory regime established thereunder, neither Numis nor Baden Hill accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Numis and Baden Hill accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

In connection with the Placing, each of Numis and Baden Hill as joint bookrunners and any of their respective affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection

with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Numis and/or Baden Hill and/or any of their respective affiliates acting as investors for their own accounts. Numis and Baden Hill do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Numis and Baden Hill and their respective affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various investment banking, financial advisory and other ancillary activities in the ordinary course of their business with the Company, in respect of which they have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have interest that may not be aligned, or could possibly conflict, with the interests of investors.

2. Notice to overseas persons

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered as “offshore transactions” in reliance on Regulation S under the US Securities Act. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa, New Zealand or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, New Zealand, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

3. Presentation of financial information

The report on historical financial information included in Part IV of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part V of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the Group’s: (i) audited consolidated financial statements for the period from incorporation to 31 December 2015 and the year ended 31 December 2016; and (ii) unaudited consolidated financial statement for the 6 month period to 30 June 2017, and the notes to those financial statements, have been prepared in accordance with IFRS.

4. Non-IFRS information

This document contains certain financial measures that are not defined or recognised under IFRS, including Adjusted EBITDA. Adjusted EBITDA as a performance measure for the business is calculated as net income with interest, taxes, depreciation, amortisation and negative goodwill write-back added back in. Information regarding Adjusted EBITDA or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of Adjusted EBITDA or similar measures and the criteria upon which Adjusted EBITDA or similar measures are based can vary from company to company. Adjusted EBITDA alone, does not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company believes that the presentation of Adjusted EBITDA provides useful information to enable investors to compare the performance of the business from period to period. Measures broadly similar to EBITDA are used by analysts, rating agencies and investors assessing the historic group performance. The IFRS measure most directly comparable to EBITDA is operating profit.

5. Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

6. Currency presentation

In the document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "RMB" is to the lawful currency of the People's Democratic Republic of China and references to "US\$" or "\$" is to the lawful currency of the United States of America.

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. The Group presents its financial statements in sterling.

7. Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Factors that might cause such a difference, include, but are not limited to the risk factors set out in Part III of this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the risk factors contained in Part III of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that

may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

8. Presentation of market, economic and industry data

This document contains information regarding the Group's business and the industry in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company has obtained the third party data in this document from industry studies, forecasts, reports, surveys and other publications published or conducted by:

- Medialink Worldwide Inc.;
- Midia Ltd trading as MIDiA Research;
- Ipsos Group S.A.;
- Nielsen Holdings plc;
- Interpret LLC; and
- Havas Media.

9. No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.

10. Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the sections of this document under the headings "Definitions" and "Glossary".

All times referred to in this document are, unless otherwise stated, references to London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

11. Group Reorganisation

Except where the context otherwise requires, all of the information in this document is presented as if the Group Reorganisation had already taken place as at the date of this document. All steps associated with the Group Reorganisation will be completed prior to, or with effect from, Admission.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	<p>Roger Conant Faxon (<i>Non-executive Chairman</i>) Mark Sabin Tadeusz Popkiewicz (<i>Chief Executive Officer</i>) David Dorans (<i>proposed Chief Financial Officer</i>) Dr Mark Alexander Reilly (<i>proposed Non-executive Director</i>) Alastair Hugh Lowell Kilgour (<i>proposed Non-executive Director</i>) Anthony John Pearson (<i>Non-executive Director</i>)</p> <p>All of whose business address is at the Company's head office</p> <p>The proposed directors will be appointed with effect from, and conditional upon, Admission</p>
Registered Office	6th Floor One London Wall, London EC2Y 5EB
Head Office	96 Great Suffolk Street, London, SE1 0BE
Company website	www.mirriadplc.com
Company Secretary	<p>Catherine Shennan The Walbrook Building 25 Walbrook London EC4N 8AF</p> <p>The Company Secretary will be appointed with effect from, and conditional upon, Admission</p>
Nominated Adviser, Broker and Joint Bookrunner	<p>Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT</p>
Joint Bookrunner	<p>Baden Hill (a trading name of Northland Capital Partners Limited) 4 Lombard Street London EC3V 9HD</p>
Legal advisers to the Company	<p>Osborne Clarke LLP One London Wall London EC2Y 5EB</p>
Legal advisers to the Nominated Adviser, Broker and Joint Bookrunners	<p>CMS Cameron McKenna Nabarro Olswang LLP Cannon Place, 78 Cannon Street London EC4N 6AF</p>
Financial PR advisers	<p>Hudson Sandler LLP 29 Cloth Fair London EC1A 7NN</p>
Reporting accountants	<p>PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Road Reading, Berkshire RG1 3JH</p>
Registrars	<p>Computershare Investor Services plc The Pavilions, Bridgwater Road Bristol BS13 8AE</p>

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
“Adjusted EBITDA”	earnings before interest, tax, depreciation, amortisation and negative goodwill write back
“Admission”	the admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM rules for companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Baden Hill”	Baden Hill, a trading name of Northland Capital Partners Limited, as joint bookrunner
“Board” or “Directors”	the directors of the Company with effect from Admission, whose names are set out on page 7 of this document
“Company” or “Mirriad Advertising”	Mirriad Advertising plc, a company incorporated under the laws of England and Wales
“City Code”	the City Code on Takeovers and Mergers
“Concert Party”	for the purposes of the City Code, IP2IPO Portfolio L.P. (acting by its general partner IP2IPO Portfolio (GP) Limited), IP2IPO Nominees Limited, Numis Securities Limited, Top Technology Ventures Limited, Parkwalk Advisors Limited, Mark Reilly and Alastair Kilgour
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
“Deferred Shares”	the 1,995,936 deferred shares of £0.025 each in the capital of the Company
“DTRs”	the Disclosure Guidance and Transparency Rules sourcebook made by the FCA pursuant to section 73A of the FSMA
“EIS”	the Enterprise Investment Scheme
“EIS Placing Shares”	the 7,773,439 new Ordinary Shares to be issued at the Placing Price by the Company pursuant to the Placing by Placees seeking to benefit from EIS relief
“EIS Placing”	the conditional placing of the EIS Placing Shares at the Placing Price by the Joint Bookrunners as agents for and on behalf of the Company pursuant to the terms of the Placing Agreement
“EMI Options”	enterprise management incentives options, under the terms of the EMI code as defined in section 527 of the Income Tax (Earnings and Pensions) Act 2003
“EMI Scheme”	the Mirriad Advertising plc EMI Option Scheme adopted on 20 August 2015, further details of which are set out in paragraph 9.1 of Part V of this document
“Enlarged Share Capital”	the issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares and the Placing Shares
“EU”	the European Union

“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“Executive Directors”	each of Mark Sabin Tadeusz Popkiewicz and David Dorans
“Existing Ordinary Shares”	the 60,938,139 Ordinary Shares in issue immediately prior to Admission
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Placing Shares”	the 33,185,333 Ordinary Shares, not being the EIS Placing Shares, and the Sale Shares, to be issued or sold (as applicable) at the Placing Price by the Company pursuant to the Placing
“Group”	the Company and its subsidiary undertakings and “Group Company” should be interpreted accordingly
“Group Reorganisation”	the reorganisation of the Group, more particularly described in paragraph 2 of Part V of this document
“HMRC”	Her Majesty’s Revenue and Customs
“IFRS”	International Financial Reporting Standards
“IP2IPO”	IP2IPO Limited
“IPG” or “IP Group”	IP Group plc
“Joint Bookrunners”	Numis and Baden Hill
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	The Mirriad Advertising plc Long Term Incentive Plan adopted on 7 December 2017, incorporating the New EMI Scheme as a schedule to the LTIP rules
“MAR”	the Market Abuse Regulation (EU) No 596/2014
“New EMI Scheme”	the Mirriad Advertising plc EMI Option Scheme adopted on 7 December 2017
“NIC”	national insurance contribution
“Nomad” or “Numis”	Numis Securities Limited, the Company’s nominated adviser, broker and joint bookrunner
“Non-executive Directors”	each of Roger Conant Faxon, Dr Mark Alexander Reilly, Alastair Hugh Lowell Kilgour and Anthony John Pearson
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of £0.00001 each in the capital of the Company
“Parkwalk Advisors” or “Parkwalk”	Parkwalk Advisors Limited
“Placing”	the conditional placing of the Placing Shares at the Placing Price by the Joint Bookrunners as agents for and on behalf of the Company and the Selling Shareholders pursuant to the terms of the Placing Agreement and the Selling Shareholder Agreements
“Placing Agreement”	the conditional agreement dated 8 December 2017 and made between the (1) Company (2) Numis (3) Baden Hill and (4) the Directors relating to the Placing, further details of which are set out in paragraph 11(a) of Part V of this document
“Placing Price”	62 pence per Placing Share
“Placing Shares”	the EIS Placing Shares and the General Placing Shares
“Preferred Shares”	the 12,808,521 preferred shares of £0.00001 each in the capital of the Company in issue immediately prior to Admission
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA

“QCA Code”	the corporate governance code for small and mid-size quoted companies published by the Quoted Companies Alliance
“Relationship Agreement”	the agreement dated 8 December 2017 and made between the (1) Company (2) IP2IPO Portfolio L.P. (3) IP2IPO Nominees Limited (4) Parkwalk Advisors and (5) Numis, further details of which are set out in paragraph 11(a) of Part V of this document
“Sale Shares”	the 1,299,293 Existing Ordinary Shares to be sold by the Selling Shareholders pursuant to the Placing
“Selling Shareholder Agreements”	the conditional agreements dated 8 December 2017 and made between (1) Numis and (2) each of the Selling Shareholders relating to the sale of the Sale Shares pursuant to the Placing, further details of which are set out in paragraph 15 of Part I of this document
“Selling Shareholders”	Shareholders who are selling Ordinary Shares pursuant to the Placing and who have entered into the Selling Shareholder Agreements
“Shareholder”	a holder of Ordinary Shares
“Share Option Schemes”	together, the Unapproved Scheme and the EMI Scheme adopted in 2015 and the LTIP
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK corporate governance code published by the Financial Reporting Council from time to time
“UKLA” or “United Kingdom Listing Authority”	the FCA, acting for the purposes of Part VI of the FSMA
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Unapproved Scheme”	the Mirriad Advertising plc unapproved share option scheme adopted on 20 August 2015, further details of which are set out in paragraph 9.2 of Part V of this document
“US”, “USA” or “United States”	the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction
“VAT”	UK value added tax

GLOSSARY

The following glossary of terms applies throughout this document, unless the context otherwise requires:

“Ad unit”	identifiable instances of brand exposure in a piece of content gathered into standardized durations
“AWS”	Amazon Web Services, being a subsidiary of and product from Amazon.com, Inc. which provides on-demand cloud computing platforms to various customers, including business to business. This product and associated technology allows subscribers to have at their disposal a virtual cluster of computers with high availability and redundancy, which can be scaled on demand to reflect different computational loads in terms of processing power, data retention and transmission
“broadcast spot” or “spot advertising”	video advertising included in broadcast television at pre-programmed intervals and durations, the content of which may be specific to the broadcast but is not specific to the viewer or the device
“CPM”	cost per mille (thousand) – the standard unit of measurement for viewing on-line. Advertisers are charged for every one thousand viewers delivered
“CPT”	cost per thousand – the standard unit of measurement for viewing on broadcast networks. This is the broadcast equivalent of the on-line CPM
“IP”	intellectual property
“KPI”	key performance indicator
“Marketplace”	Mirriad’s proprietary systems used by the Group and its customers for the purposes of identifying advertising inventory, recording sales and delivering campaigns
“mid-roll advertising” or “mid-roll”	video advertising shown during internet video content, which can be specific to the device and by extension the viewer
“NIVA”	native in video advertising – the product sold by the Group
“NIVA Ad unit”	standard durations of exposure delivered with a managed level of impact as measured by the Mirriad Visual Impact Score methodology
“pre-roll advertising” or “pre-roll”	video advertising shown before internet video content, which can be specific to the device and by extension the viewer
“Programmatic” or “Programmatic advertising”	buying advertising space automatically, with computers using data to decide which ads to buy and how much to pay for them
“ROI”	return on investment
“Visual Impact Score” or “VIS”	a blend of measures relating to the size, duration and other key parameters of a brand’s exposure in a piece of content

PLACING STATISTICS

Placing Price	62p
Number of Existing Ordinary Shares	60,938,139
Number of new Ordinary Shares being issued by the Company pursuant to the Placing	40,958,772
Number of Sale Shares to be sold by the Selling Shareholders pursuant to the Placing	1,299,293
Number of Ordinary Shares in issue following Admission	101,896,911
Percentage of Enlarged Share Capital being placed pursuant to the Placing	41.5 per cent.
Market capitalisation of the Company at the Placing Price following Admission	£63.2 million
Total proceeds of the Placing	£26.2 million
Estimated expenses of the Placing	£1.2 million
Estimated net proceeds of the Placing receivable by the Company	£24.2 million
ISIN number	GB00BF52QY14
SEDOL number	BF52QY1
AIM TIDM	MIRI

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2017</i>
Publication of this document	8 December
Issue of EIS Placing Shares	18 December
Issue of the General Placing Shares and Admission of the Enlarged Share Capital	8.00 a.m. on 19 December
Admission and dealings commence in the Ordinary Shares on AIM	8.00 a.m. on 19 December
CREST accounts credited for General Placing Shares and EIS Placing Shares	8.00 a.m. on 19 December
Despatch of definitive share certificates, where applicable, by	2 January 2018

PART I

INFORMATION ON THE GROUP

The following information should be read in conjunction with the information appearing elsewhere in this document including the Group's audited historical consolidated financial information for the period since incorporation to 31 December 2015, the year ended 31 December 2016 and the interim unaudited financial information for the 6 months to 30 June 2017 which is contained in Part IV of this document. Unless otherwise indicated, the selected financial information included in this Part I has been extracted without material adjustment from the Group's audited historical consolidated financial information contained in Part IV of this document and the unaudited interim financial information.

1. Introduction

Mirriad is a global video technology company incorporated in 2015 and is engaged in the development of native in-video advertising ("NIVA"). Mirriad's proprietary technology platform is capable of inserting branded products and signage into existing video content with ease as a new means of advertising. NIVA offers contextual authenticity and integrity delivered as ad units, enabling brands and advertisers to plan and run multi-title campaigns across all three screens – on air, online, on mobile. The technology allows for brand integration to be an affordable, scalable ad unit running in multiple pieces of content.

The Company has been developing a robust business model and advanced proprietary technologies capable of inserting advertising into popular entertainment content with a view to addressing the market opportunity. Mirriad's platform inserts advertising that appears authentic into the original content at low cost and at scale.

Following encouraging early-adoption, the Directors believe the Company is close to a high-growth phase. Further, due to several key customers expressing their intent on using Mirriad's platform, Marketplace, the belief is that rapid-scale growth is achievable.

Mirriad uses its proprietary technology stack and associated methodologies, such as machine learning, to create advertising inventory from eligible video content and then digitally embeds branded advertising packages into the content. This content is then delivered to the target audience on the chosen platform(s) such as TV and digital distribution over the internet, with the process managed using Mirriad's platform.

The Company has been actively engaging with mainstream entertainment content businesses in targeted high potential markets, such as with Youku in China. This strategy is intended to leverage the global phenomenon of rapidly rising video consumption across different platforms, devices and audience types.

Mirriad aims to position itself at the centre of audience engagement with content by placing the advertising within the content itself. Supported by external research, Mirriad's key objective is to build brand awareness in its target markets and in turn generate demand for its product.

The Company is led by an experienced and entrepreneurial management team with extensive experience in the video technology advertising sector.

For the year ended 31 December 2016, the Company reported revenue of £0.7 million, gross profit of £0.6 million and an operating loss of £7.3 million.

The use of proceeds of the Placing will be to finance expansion, to fund the general working capital requirements of the Group and for general corporate purposes.

2. History and background information

Mirriad Advertising Limited was incorporated in 2015. Shortly after formation, the Company acquired the business, customers, technology and know-how of a predecessor company, Mirriad Limited, which had shut down due to a shareholder issue which was unrelated to commercial activities.

The purpose of the acquisition was to secure the business and assets which Mirriad Limited had built up over seven years and in which it had invested over £35 million. Mirriad Advertising Limited believed it was in the position to commercialise this developed intellectual property. The assets

acquired included an existing patent pool, patents in process, algorithms and staff responsible for their creation.

The formation of Mirriad Advertising Limited in May 2015 was led by IP2IPO, an IP Group investing vehicle, and Parkwalk Advisors, and was supported at launch by some of the shareholders from the predecessor company. The Company raised a total of £10.2 million in equity as part of financing arrangements over the course of 2015.

The holdings of IP2IPO Limited and Top Technology Ventures Limited, another IP Group company, were transferred to IP2IPO Portfolio L.P. (acting by its general partner IP2IPO Portfolio (GP) Limited). The shares held by IP2IPO Nominees Limited, which invested in subsequent funding rounds, remain with IP2IPO Nominees Limited.

IP Group is a leading intellectual property commercialisation company whose strategy is to evolve great ideas, mainly from its partner universities, into world-changing businesses. IPG has a unique approach to building businesses and providing support to businesses along the journey from “cradle to maturity”, by providing strategic and commercial expertise, capital, networks, recruitment and administrative services (including through its wholly-owned FCA authorised subsidiary Top Technology Ventures Limited). IP Group has a strong balance sheet with a proven track record of growth and its portfolio comprises holdings in approximately 100 early-stage to mature businesses across four main sectors: Biotech, Cleantech, Healthcare and Technology. IPG is listed on the premium listing segment of the Official List and trades on the London Stock Exchange’s main market for listed securities.

Parkwalk is one of the UK’s leading university spin-out focused Enterprise Investment Scheme fund managers. Funds managed by Parkwalk invest in high-growth, knowledge-intensive companies with a focus on technology and innovation primarily sourced from UK universities. Investments are made across the growth curve from early stage through to AIM quotation. The firm also manages a series of early-stage funds in conjunction with the technology transfer offices of the Universities of Cambridge, Oxford and Bristol. Parkwalk is a wholly owned subsidiary of IP Group.

In 2015, the Company continued to secure major content and advertising agency partners globally and invested further into its proprietary technologies and platform. The Directors believe that the Company has made good progress in protecting its core intellectual property portfolio thus raising the barriers to entry for any potential competition.

During this time, the Company continued to receive research and development grant funding in collaboration with other consortium partners. The Directors believe this has improved its ability to maintain a diverse technology advantage in the market. Over this period, the Company evolved its management team and appointed an industry renowned executive, Roger Faxon, as non-executive Chairman.

In 2016, the business continued to expand and extend its business activities and focused on the world’s largest or fastest growing advertising markets, China, the USA, Brazil, India and Germany. The Company has continued to secure new customers, including the signing of deals with Star in India and Fox Syndication in the USA. Towards the end of the year the Company signed a commercial agreement with Warner Music with a view to developing in-video advertising for use on a major music publishing platform.

The Company has continued to invest in the development and protection of its proprietary technologies and platform, namely Marketplace, focussing on increasing scalability, simplifying the user experience and making it easier to sell NIVA and developing more diverse inventory.

In February 2016, Unilever Ventures, the venture capital arm of Unilever plc, one of the world’s largest advertisers, invested £0.4 million in the Company. As a result of encouraging customer feedback and a series of market developments, IP2IPO led a further fundraising in 2016. In total £11.4 million was raised in 2016.

The Company has most recently secured a further amount of approximately £1.4 million in July 2017, the majority of this coming from Sand Aire Limited, a multi-family investment office. The Company continues to pursue other investment opportunities.

Dr. Phil McLauchlan, Mirriad’s Chief Scientist, was awarded an Oscar for his work on elements of the imaging technology now used by Mirriad while working for the predecessor company in 2013. Further details of the Oscar and other awards and accreditations are contained in paragraph 5.7 of this Part I of this document under the heading “Awards and Accreditations”.

At formation, the Company had 76 employees as a result of the acquisition of the assets and business of Mirriad Limited and that number had grown to 99 as at 31 August 2017. Further details of employees are contained in Part V of this document. The increase in staff has been due to several factors: (i) the Company has been hiring new employees over this period to provide a base for the rapid growth expected by the Directors; (ii) the Company has been expanding into new markets, which requires the hiring of new employees; and (iii) as the Group's technology function matures over time, more employees are required.

3. Key strengths

The Directors believe the Group has a number of key strengths, which include:

First-mover advantage facilitating exploitation of a large and growing market which the Directors estimate as up to \$29 billion

Mirriad has existing blue chip customer relationships in each of its key markets and benefits from the market development of its predecessor company.

Disruptive, IP-protected technology and know-how addressing an acute industry problem and providing significant barriers to entry

As at the date of this document, Mirriad has eleven granted/allowed patents in the US, UK and Europe with a further seven applications in process. The techniques used and the associated technology stack represent significant know-how.

Access to scale through premium partner relationships and a market platform

Mirriad is focused on the development of its Marketplace platform which is currently being rolled out with Youku/Alibaba in China and the intention is to subsequently roll it out to other key customers such as Globosat in Brazil and Univision in North America. The Directors believe this provides a basis on which to rapidly grow revenues and the Company intends to secure Marketplace launches in each of its key markets in the first half of 2018, details of which are set out at "Customer Adoption and Engagement" section of this Part I.

An indirect sales model, providing operational leverage, against a highly targeted and substantial pipeline of customer/Marketplace launches

The Company does not sell directly to advertisers and media agencies, rather it facilitates and supports distributors and broadcasters' sales teams to sell the Company's service. Mirriad is remunerated on a revenue share of customer sales, typically taking 20 per cent of each sale. The Directors believe that this model results in greater operational leverage whilst lowering the relative resources required to deliver revenue.

Market research demonstrates the effectiveness of its product

Mirriad and its partner distributors and media agencies have undertaken a series of research studies with independent, third party research institutions which support the efficacy of the advertising product.

Strong and experienced management team

The Board and senior management team has significant expertise and experience of operating in the Asian, US and European media industry and of managing high growth companies. Further details of Mirriad's management team are set out in Part II of this document.

4. Group strategy

The Group's strategy, in place since the formation of Mirriad in 2015, incorporates the following elements:

- Driving awareness and demand in its target markets, some of the largest and/or fastest growing advertising markets in the world, namely China, the USA, Brazil, India and Germany;
- Continued development of its technology suite which is capable of transforming content into advertising inventory with supporting data;
- Providing advertisers and brands with a safe form of advertising which offers high levels of viewability, is verifiable, and delivers demonstrable value in terms of ROI;
- Adding value to content owners by creating a new revenue stream for the content industry;

- Inserting its services into existing and new value chains where advertising inventory is bought and sold, including, in the medium term, programmatically; and
- Maintaining low exposure to the UK macro-economy by consistently focussing on international markets over the long term while being headquartered in the UK.

The Group has identified three KPI's which it intends to focus on: (i) revenue; (ii) cash consumption; and (iii) customers under contract.

The Directors are targeting development of a Marketplace customer in each of Mirriad's five core markets. The first roll out is taking place with Youku in China and the Directors expect the subsequent implementations to be in Brazil and the USA, followed by India and Germany.

5. The Group's products and services

5.1 Overview

Mirriad has developed a solution to address the challenges for advertisers and brands with existing advertising, as outlined below.

Mirriad's technology and business processes allow it to place brand advertising into context, in a similar fashion to product placement, but without many of the drawbacks associated with product placement, which is made scaleable by Mirriad's proprietary technology.

Challenges of traditional product placement to brands and advertisers

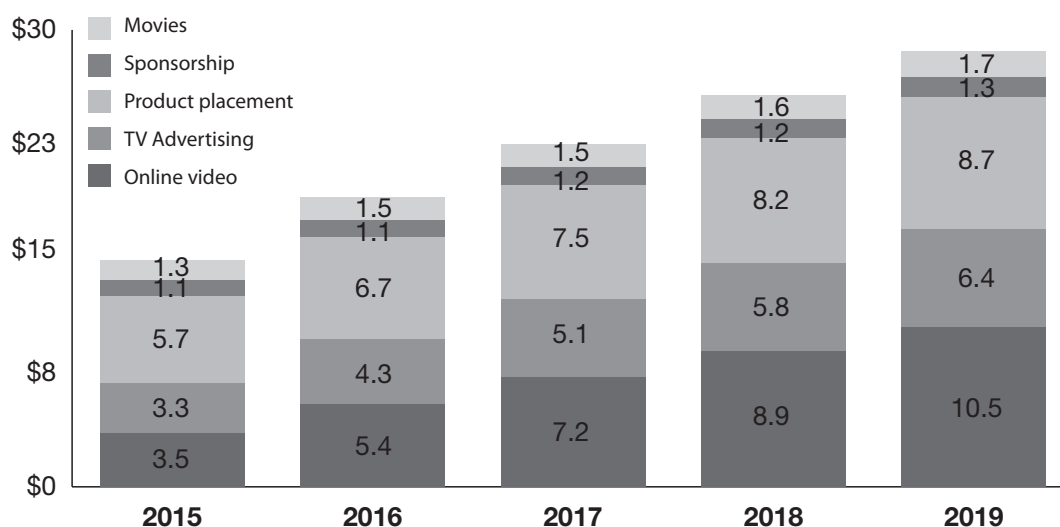
The traditional product placement industry is estimated by PQ Media, a US market research firm, to generate revenues of \$21 billion by 2019. However, traditional product placement has a number of drawbacks including:

- complex production issues: it can take up to two years to execute a product placement deal. By the time the content reaches its audience, the context or the product in question may no longer be suitable, as branding or products may have changed in the meantime;
- uncertainty of outcome: because product placement is part of the creative process, a given advertiser or brand will not know how much exposure it will gain, nor in what format it will be delivered, until the final programme edit is complete;
- advertisers and brands often require access to KPIs – such as statistics relating to viewing figures, audiences, geographies or schedules – before committing to advertising and it is the Directors' belief there are few standardised measurement tools to facilitate the provision of these KPIs for product placement; and
- there is no standardised business model for product placement that guarantees success, adding uncertainty for advertisers and brands.

The Directors believe that Mirriad offers a solution which delivers the audience engagement of product placement while substantially overcoming the shortcomings referred to above.

Total addressable market

Citing industry sources, MIDiA estimate the economic value of the addressable market to be approximately \$29 billion in 2019:



Source: MIDiA Research.

Native In-Video Advertising (“NIVA”)

The Company’s product is Native In-Video Advertising (“NIVA”). Through NIVA, Mirriad provides a scalable, technology-driven solution which is suited to the increasingly automated world of global advertising. Using IP-protected technology, Mirriad allows advertisers to seamlessly integrate branded products and signage which drive engagement with an advertisers’ message or proposition.

Importantly, the advertising is seamlessly integrated into the original content. In this way, the value of the original content is preserved from the perspective of the content owner.

NIVA offers several benefits for both advertisers and brands and for content owners, including NIVA not being subject to ad blocking or ad skipping.

The key benefits of NIVA for **advertisers and brands** are set out below:

- the authentic and contextually relevant insertion of brands into existing content, often with a known addressable audience;
- advertising can be bought and sold through NIVA on a similar basis to other forms of advertising, based on KPIs such as reach, frequency and audience impressions/ratings;
- campaigns can be tailored by time, territory and other metrics. The audience can be specified with a high degree of granularity, which increases the value of the advertising. The Directors believe that the technology has the potential to insert specific NIVA advertising to target individual viewers/devices for on-line delivered content, subject to the relevant partner’s platform capabilities; and
- certainty of delivering brand safety by placing appropriate brand messages only in pre-existing content which is suitable.

The key benefits of NIVA for **content owners** are set out below:

- new inventory offers a source of new and wholly incremental revenue;
- a low cost of deployment as no specific integration is required to work with the Marketplace system, given that it is designed to be an easy to use on-line portal and Mirriad can accept content in a variety of formats;
- the same content can be used by distributors and broadcasters across multiple platforms and geographies, incorporating different NIVA, with different messages appearing in different formats, helping to add value to inventory; and
- because NIVA is part of the content and placed contextually, it is not intrusive or disruptive for viewers. Where NIVA is used to displace traditional advertising, in instances where ad loads could be off-putting, it may reduce audience churn.

Mirriad expects to exploit the market opportunity for NIVA by:

- adding value to broadcast ecosystems whilst also becoming a key component of new digital distribution models;
- benefiting from a revenue contract model, whereby Mirriad revenue is fixed at a defined share of the total advertising revenue for any related campaign, and thereby benefitting from any up-side (as Mirriad's revenue will increase with its clients' spend), rather than billing fees for services, thereby not increasing costs for content distributors;
- capitalising on demand from advertisers and brands to find new ways to convert audiences into customers;
- creating demand from content owners and distributors by creating fresh inventory for them;
- driving demand in the market through the opportunity to advertise in the most valuable entertainment content;
- communicating value to brands with the help of third party research and working with contemporary advertising verification methodologies to differentiate NIVA; and
- integrating NIVA ads with other forms of video advertising including pre-roll video advertising, social, mobile and out-of-home.

Even at this early stage in the Company's development, Mirriad's services and technology are used by multiple brands and distributors.

Some of the brands that use or have used NIVA include: Samsung, Unilever, Fiat, Nissan, P&G, Rexona, Mitsubishi Motors, Universal, Deutsche Telekom, Coca-Cola, Philips, 20th Century Fox, Softex Indonesia, Djarum, McDonalds, Dabur, LG, Indofood, Starwood, Tangeche and BASE.

Some of the distributors that use or have used NIVA include: Youku (part of Alibaba Group), Fox, Star/Star TV, Warner Music Group, Sony Pictures Television, RTL Group, Univision and Globosat.

The Company intends to continue to pursue further organic growth by building on its existing expertise to extend its technology and in particular its trading platform, Marketplace. Further details of Marketplace can be found at paragraph 5.3 of this Part I.

The Company has planned growth in five target markets which it believes represent the markets with the most potential, in terms of the size and the growth rate of such market. These markets are: China, the USA, Brazil, India and Germany.

The Directors believe that sales growth will be driven by the successful roll out of the Company's Marketplace platform to existing and target customers, on both digital and broadcast platforms.

Value chain

Mirriad comes to the market at a time when video consumption is increasing and is projected to grow strongly on a global scale.

Mirriad serves as a partner to content producers and their distribution partners who are addressing the demand for video media in a manner which is seen to be profitable. More broadly, it is acknowledged that traditional media offerings and channels, such as in publishing, are having their business models challenged.

Mirriad is differentiated from the ad tech sector as it is aligned with the content industry from both the content owner's and distributor's perspectives.

The video content industry is increasingly investing in unique, high-quality content, motivated by the desire to grow audiences either organically or by taking market share. By way of example, Alibaba's entertainment business committed to a content spend of approximately \$7.2 billion over three years, Netflix announced \$6.0 billion of content spending in 2016 rising to \$8.0 billion for 2018, and Amazon is forecast to spend \$4.5 billion on content in 2017.

Mirriad's value chain involves three distinct parties: the content producer; the distributor (on-line or broadcaster, who may also be the producer); and the brand/media agency.

Mirriad contracts with the distributor in all cases and it is the distributor that Mirriad invoices. Mirriad works on a revenue share basis with its customers and generally achieves an approximately 20 per cent. revenue share from distributors and broadcasts.

Nevertheless, Mirriad also has an interest in ensuring that the other players in the value chain are aware of NIVA and the benefits that NIVA can provide when compared to other forms of advertising.

To achieve this, Mirriad actively engages with brands and their agencies to generate demand which is then fulfilled by distributors and their sales teams.

The Mirriad Marketplace product connects the three key parts of the value chain:

- brands, via agencies, or directly;
- content, via producers; and
- audiences/views, via distributors.

Rights clearance

Mirriad operates an indirect channel model where its primary customer is the distributor. Distributors and broadcasters can be characterised as follows:

- organisations with capability to deliver content to large audiences;
- operate business models that can be advertising funded or subscription based;
- generally have integral sales organisations;
- generally produce their own content as well as licensing content from third parties; and
- content rights models may vary from completely owned through to varying flavours of licensing including geography, time, platform and the content covered may include, for example, music, long or short form clips for digital consumption.

Mirriad is addressing the issues pertaining to rights for in-video monetisation by:

- working with customers to monetise fully-owned content first;
- building out to enable monetisation of third party content in collaboration with the customers' business affairs teams and commissioners/buyers of content by including appropriate legal terms in contracts; and
- educating large studios to be familiar with Mirriad ahead of full engagement by customers' business affairs teams.

Sales channels

Mirriad currently operates an indirect sales model, with the sales organisation seen as delivering a 'business development' function, specifically tasked to catalyse early deals with new customers. The Company has plans to increase this capability in response to early stage requests by customers to initially sell their inventory, subject to the requirement that Mirriad cannot close final deal pricing, as that remains in the domain of the customer's sales organisation for both broadcast and digital partners. The Company intends to monitor this model as segments such as music video ad sales may require a more direct sales resource.

5.2 Market entry

Mirriad has adopted a disciplined approach to market entry and is currently focused on developing its offering in five core markets: China, the USA, Brazil, India and Germany. These markets were selected as the Directors believe they are the world's largest or fastest growing advertising markets. Whilst current Group revenues are low, the Directors believe the Company is poised to enter a high growth phase. Mirriad has demonstrated proof of concept through individual brand integrations in its target markets and is now investing in platform roll-out. The Directors believe that this will lead to a revenue upturn for the Group.

Targeting by market

In Europe, Mirriad is targeting RTL Group, RTL2 and Prosieben and is in negotiations with RTL2. Mirriad already has a two year agreement with RTL Deutschland, an agreement with RTL Netherlands and has agreed terms with RTL Belgium and Prosieben.

In the US, Mirriad is targeting Univision, Fox Syndication, HULU, NBCU, Amazon and Fox Broadcasting Company, is in negotiations with Hulu and NBCU and has agreements with Fox Syndication and Univision.

In Brazil, Mirriad is targeting GLOBOSAT and TV GLOBO and has an agreement with GLOBOSAT.

In China, Mirriad has an agreement with Youku and in India is targeting Star, Zee Digital and Sony India, and is providing services to Star.

The Company believes that adoption of its Marketplace platform is critical to effectively scaling its sales and developing meaningful, consistent, revenue streams with each customer.

The first deployment of Marketplace is currently taking place in China, which is expected to be completed during the first half of 2018 with further deployment expected in the USA, Brazil, India and Germany (prioritised as appropriate). Marketplace can be offered as a managed service, partial deployment for sales users only or full deployment including ad operations and sales.

The Company's commercial strategy has three elements:

1. Create demand for NIVA
 - use advertising spend data for partner networks to demonstrate both brand demand for NIVA and brand fit with inventory (i.e. brand safety/suitability of context).
2. Leverage demand for Marketplace
 - leverage brand demand to introduce Marketplace-orientated sales process; and
 - generate partner throughput to pilot Marketplace with a small group of customer users.
3. Deploy Marketplace
 - move to deployment of Marketplace across partner sales organisation(s); and
 - scale NIVA model to audience-based sales supported by Marketplace.

The Company is continuing its focus on increasing scalability, simplifying the user experience to make it easier to sell NIVA and on developing a larger and more diverse inventory. The Directors believe that both distributors and broadcasters are under-utilising inventory which they can monetise by bringing the content onto the Marketplace platform. By way of example, Fox Network, the US network comprising Fox, FX, FXX, Fox Sports and National Geographic, has a considerable amount of content suitable for the Marketplace platform. The Directors believe that Fox Network could produce approximately \$260 million of advertising inventory annually in the US and even more internationally which would be suitable for inclusion on the Marketplace platform.

The Company is also currently in early stage discussions with a major content provider with a view to commercialising advertising opportunities within and around its digitally distributed content. It is not currently clear whether these negotiations will result in a commercial arrangement and if they do what impact any resulting commercial arrangement would have on the Group's revenues and sales/business development resourcing requirements. It is possible that any such resourcing requirements would be funded by the content provider in the form of an equity investment at the applicable time.

5.3 Technology

Mirriad's advanced technology aims to simplify a complex process and brings together the three key stakeholders of advertisers, content owners and distributors/broadcasters in the advertising ecosystem. The Company aims to increase the value of content by adding data: metadata about the content, data about the audience and data about the available ad inventory. This data should in turn increase the value of the inventory.

The insertion of digital images into content is broadly undertaken in post-production: this is evident in popular films and series which contain a high proportion of special effects, such as *Star Wars* or *Game of Thrones*.

The Company has built a proprietary technology pipeline for processing video, successfully combining advanced and bespoke computer vision technology with human judgement to deliver high quality NIVA ads, with no risk of inappropriate brand placement, in the timescales demanded by fast-moving media markets.

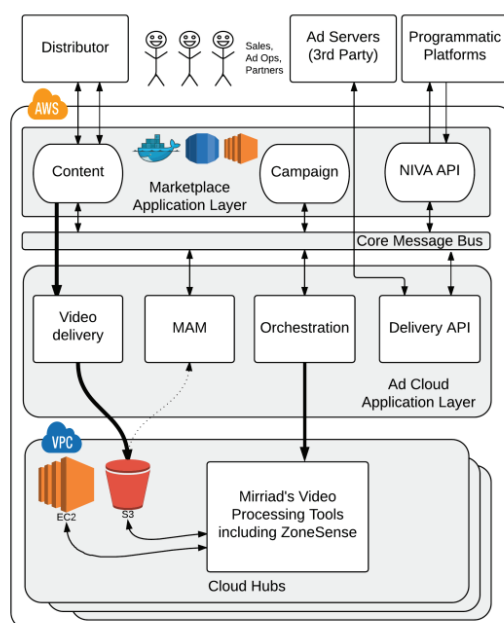
Mirriad's technology analyses significant volumes of existing content, identifying potential advertising inventory with associated metadata and allowing customers to transact this rapidly and at scale, which is much harder to do than adding digital imagery in post-production alone.

The process uses advanced technology that is able to identify and tag specific types of inventory, e.g. by identifying different types of scene such as 'kitchen', 'bathroom' or 'outdoors'. In conjunction with audience metrics, this then allows for the valuation of advertising inventory, which can then be packaged and sold by sales teams.

The Directors believe that this ability, in conjunction with the protection of its IP through patents and knowhow, represents a significant barrier to entry for potential competitors. The Company has developed 26 algorithms and currently has eleven patents granted with a further seven pending. These patents are grouped into eight patent families, set out in further detail in paragraph 6.5 of Part I of this document.

According to Medialink, industry stakeholders familiar with Mirriad's technology believe it differentiates it from solutions provided by traditional advertising companies.

The overall technology suite can be divided into three distinct areas; computer vision technology, advertising logistics and Marketplace.



Computer vision technology

The computer vision technology layer has been developed over many years and is led by Mirriad's Chief Scientist, Dr. Phil McLauchlan, who won an Oscar for his pioneering work in 2013.

Since 2015, the Company has been introducing artificial intelligence into this area of its business by using machine learning algorithms to automatically detect suitable scenes for advertising insertion and to automatically create a first level of metadata around these scenes.

As the Company has analysed a significant amount of video content, it has created a substantial volume of associated metadata meaning that it has a large data set suitable for machine learning techniques. The Company believes that this in itself creates a barrier to entry as machine learning techniques require substantial volumes of data in order to be effective.

Advertising logistics

The advertising logistics layer is shown as the ad cloud layer in the diagram above. The advertising logistics layer deals with the orchestration of media to allow the Company to deliver booked campaigns at scale and speed.

Mirriad's client uploads the pre-recorded video media into AWS and Mirriad's technology generates tagged inventory to which metadata is attached. Once the sales process is complete, an insertion (purchase) order is made and the digital video media, with NIVA inserted, is created. This content is then made available to the client for onward distribution.

This has two benefits for Mirriad's customers. Firstly, the assessment of inventory is convenient for the client. Secondly, it allows the processing of inventory and production of NIVA to take place quickly. This is important due to the typical timescales between the sale of NIVA and the delivery of the required content, typically being a few days.

Transactional layer

The transactional layer is the technology which powers Marketplace.

Marketplace is the human interface to the technology which allows clients to put together media plans and place insertion orders through their sales and/or operational teams. Marketplace can also be used internally at Mirriad to aid this process which allows Mirriad to work effectively with clients of different complexity.

For the purposes of the transaction between brands and advertisers and distributors, buying and selling audience is the same as a typical media plan and sale for spot advertising.

The Directors believe that an easy to use interface of this type is essential for building complex audience-based media plans, which define audience reach and demographic at a particular price.

The Directors believe that the creation of Marketplace on top of the other two layers of technology provides the necessary conditions for scaling of the business. Providing this technology to customers allows them to transact at volume with the Company and their customers respectively.

Mirriad's technology platform

Marketplace

Marketplace is designed to make the use of NIVA simple and accessible to large enterprises, which form the majority of the Company's clients.

Marketplace facilitates the NIVA workflow from start to finish, giving the client a single interface to the technology, bringing together the three key stakeholders of advertisers, content owners and distributors/broadcasters through a process which makes a complex problem simple.

The NIVA workflow consists of the following steps:

1. Content is supplied by the distributor/broadcaster and is analysed through Mirriad's technology stack, resulting in tagged advertising inventory and associated metadata. The Directors believe the creation of the inventory and the generation of data around it are required for it to be marketable. Inventory can also be predicted for content not yet received based on a valid statistical sample. This allows media planning to take place for campaigns spanning beyond immediately available inventory.
2. The resulting advertising inventory and associated metadata is published into Marketplace, making a catalogue available for NIVA campaigns.
3. The distributor's sales team builds media plans in Marketplace. The media plan would typically specify target audience, target reach or volume, and estimated campaign value.
4. The media plans and associated costs are sent to an advertiser's media agency, or in some cases, directly to the advertiser for approval.
5. Following approval, the media agency or advertiser places an order. Art work is then created, approved and inserted, quality controlled, and then sent back for distribution.
6. The resulting campaign is delivered and can be monitored through the dashboard on Marketplace.

7. Using data from these campaigns, inventory may be able to be used more efficiently to increase the potential revenue for the distributor and reduce cost of sales for Mirriad.

There are three distinct functions that Marketplace supports:

1. Inventory management, comprising: ad inventory, audience data, rights management and schedule management. Rights management comprises regulatory requirements and specific arrangements with brands that a content producer may have. Schedule management shows when the content will be made available to users and is therefore required in order to effectively estimate audiences.
2. Sales management, primarily media plans and insertion orders, as well as showreels to demonstrate NIVA to potential clients.
3. Delivery management, allowing the client to monitor campaign progress and effectiveness and optimise yield.

5.4 Intellectual Property

Mirriad owns eleven granted patents (five US, three UK, one German, one French and one Irish) and has seven pending patent applications (three US, two European, one UK and one Chinese). The patents and patent applications make up eight patent families. Those patent families are: 'Adbroker 1', 'Adbroker 2', 'Zone Sense', 'Push Render', 'Hubs', 'NIVA Delivery with Dynamic Ad Insertion', 'Valuation' and 'Marketplace'.

Each of the patent families seeks to protect a different area of Mirriad's technology. These areas are:

AdBroker 1

This family consists of one pending US patent application, filed as a Continuation application of an earlier Adbroker US patent application. The US patent for Adbroker 2 (described below) was filed as a Continuation-In-Part application of the same earlier Adbroker US patent application. The Adbroker 1 and Adbroker 2 families are therefore related.

The Adbroker 1 family relates to a workflow of handling video material and advertising components which are integrated in the video material. Placement zones in the video material that are suitable for receiving an advertising component are identified and placement instructions for the placement zones are determined. These include characteristics of the placement zone and manipulation instructions for integrating the advertising component into the placement zone.

The workflow includes an approval stage for the rights holder of the video material. Once the rights holder has authorised the use of the video material with the advertising component in the approval stage, the video, placement instructions and advertising components are sent to a remote combining module, where the advertising component may be combined with the video material based on the placement instructions.

AdBroker 2

This family consists of one granted US patent, filed as a Continuation-In-Part application of an earlier Adbroker US patent application. The pending US patent application for Adbroker 1 (described above) was filed as a Continuation application of the same earlier Adbroker US patent application. The Adbroker 1 and Adbroker 2 families are therefore related.

The Adbroker 2 family relates to the storage of video sequences suitable for insertion within advertising material in an online catalogue. For each stored video sequence, the online catalogue includes one or more metrics (such as size of placement zone in the video, duration of the video, predicted audience size, number of placement zones, etc) and an associated monetary value. A user can access the online catalogue in order to look for and select a video sequence of interest for advertising. Once a video sequence of interest is selected, multiple stakeholders are invited to approve or reject the selected video sequence.

Zone Sense

This family consists of six granted patents: two US patents, one German patent, one French patent, one Irish patent and one UK patent. The German, French, Irish and UK patents are all derived from a granted European patent.

The Zone Sense family relates to the detection of insertion zones within video material that has a number of different scenes. One or more candidate insertion zones are detected in the video material and then a selected insertion zone is tracked through those scenes. Additional material can then be inserted into the selected insertion zone in the various scenes in which that zone appears. By tracking a selected insertion zone through the different scenes, an object may be consistently inserted in all of the scenes in which the same insertion zone appears.

Push Render

This family consists of two granted patents: a UK patent and a US patent.

The Push Render family relates to the retrieval and analysis of video data to create instructions for incorporating additional video objects into the video data. The instructions are transmitted to a different remote system that already has the video data, so the remote system can then incorporate the additional video object into the video data using the instructions. By transmitting the instructions without also transmitting the entire source video, the amount of data communicated between the entity that analyses the video data and the entity that incorporates the additional video object is minimised.

Hubs

This family consists of a granted UK patent and a US patent application.

The Hubs family relates to the process used to analyse source video in order to identify segments suitable for the inclusion of additional video objects. The process involves the creation of an intermediate working version of the source video that includes identified segments and metadata that maps the segments to the frames in the source video. The intermediate working version is then transmitted to a remote system, which can incorporate additional video objects into the intermediate working version. By transmitting the intermediate working version, rather than the entire source video, data transfer levels may be reduced and security may be improved, since the entire source video is not transmitted around.

Once the additional video objects have been incorporated into the intermediate working version by the remote system, the intermediate working version (with the incorporated video objects) is retrieved from the remote system and incorporated into the source video using the metadata that maps the segments of the intermediate working version to the frames of the source video.

NIVA Delivery with Dynamic Ad Insertion

This family consists of one granted US patent, one pending US patent application, one pending European patent application and one pending Chinese patent application.

The NIVA Delivery with Dynamic Ad Insertion family relates to the preparation of object inserted video, which is to be incorporated into a video once it has been divided into segments by a distributor for transmission to a viewer (for example, by streaming the video to the viewer one segment at a time). In the process of preparation, the video is analysed to identify frames that have an insertion zone into which an object could be inserted, and an object inserted video is created that includes the object inserted into the identified frames.

The start of the object inserted video corresponds with the start of the segment in which the first frame of the identified frames appears. The end of the object inserted video corresponds with the end of the segment in which the last frame of the identified frames appears. This allows the object inserted video to align with one or more segments, so that when the video is distributed, the distributor can simply replace one or more segments of the video with the object inserted video. This simplifies the process of incorporating additional video objects into a video and more easily allows dynamic selection of object inserted video on a per viewer basis.

Valuation

This family consists of one pending European patent application although the Company intends to file further patent applications in other territories subject to the results of its initial searches.

The Valuation family relates to predicting a potential value for the insertion of objects into a new video, based on categorical metadata associated with that video. The categorical metadata may include, for example, the video content type, length, producer or actors and the intended audience. In this way, the potential value of new videos to advertisers may be quickly assessed, without the need to analyse the image contents. Videos that have not yet been produced may still be analysed, since metadata may be available from other sources, such as scripts. Consequently, the potential value of new videos may be quickly predicted and potentially even before the new video has been made fully available.

Marketplace

This family consists of one pending UK patent application, although the Company intends to file further patent applications in other territories subject to the results of its initial searches.

The Marketplace family relates to processing the image contents of frames of a video using machine learning to determine one or more types of object that are recommended for insertion into a video. The type of object may be, for example: (i) categories of objects (such as soft drinks, cosmetics and personal care products, games and consoles and pharmaceutical products); (ii) particular brands of objects; or (iii) one or more particular products offered by a brand. Consequently, videos may be analysed and potential object insertion opportunities identified and classified more quickly than traditional human operator processing techniques can achieve.

The video data that is analysed is also smaller in size than the overall source video (the source video being the entire film or show), as it includes only segments of the source video that have been selected for the inclusion of additional video objects. This again can reduce data transfer levels, so only the relevant segments need to be retrieved for analysis, rather than the entire source video.

The Directors believe that the granted patents provide the optimum level of IP protection required for the Group. While substantial cost could be incurred pursuing a large number of patents covering a wide range of areas within the business, the Directors believe a more focussed approach is suitable.

As such, the Company has seven further patents pending which are intended to not only cover the areas set out above but other aspects of Mirriad's business for which protection is desirable. This includes the first Chinese patent application.

Among the 26 algorithms in use in the business is one covering VIS developed using the Company's own research to evaluate advertising inventory and delivered ads using a set of metrics including size, duration, and proximity that correlate with the advert's value and engagement metrics. The VIS allows Mirriad to measure delivery without evaluating each advert manually, and ensure value for Mirriad's clients by ensuring a baseline standard of viewability.

5.5 Competition and competitive strengths

The insertion and manipulation of images in pre-existing video is well covered by the post production industry but not at speed and at scale.

The Directors believe that the Company is unique in providing an end to end managed service to customers for the insertion of digital advertising imagery into existing video content. None of the major distributors or broadcasters that the Company has contracted with, or is in the process of contracting with, have been able to cite a solution that competes with the Mirriad service.

Other operators in the digital manipulation of video are in the post production industry but as explained above they do not provide a service at the speed and breadth of the Company.

Post production generally includes enhancement of the content through, for example, soundtrack, special effects and colour correction, as well as the editing of the video content itself. As the aim of post production is to enhance or finish the content, it is generally specific to that content and labour intensive. As such, a post production specialist would not provide a complete, scalable solution.

In recent months the following organisations have made announcements about their provision of services or their intention to provide services which could be regarded as similar in part to those provided by the Company:

- Accenture: Accenture's Interactive division announced the launch of a programmatic in-video product at the Cannes Lions in July 2017. No brands or distributors were cited as partners and no further detail has been released.
- Fayteq: in August 2017, Facebook acquired Fayteq a small German software company which previously sold software plugins for use with Abode software used in post-production. This plugin was reported to allow the removal or addition of whole objects from or into video.
- Moviebook: a Chinese company which states that it can insert digital images, such as subtitling, into video for a variety of purposes.
- Selario: Selerio is a deep-tech start-up using machine vision for 3D interactions in augmented reality. Its product enables virtual objects to directly interact with the real-world.

Given the advantages that NIVA provides, including perfecting imaging technology so that brand images look as if they have always been part of the existing video, the ability to track images across scenes in a piece of video and the need to provide a transactional platform for customers, the Company does not consider these providers to be direct competitors at this stage.

Due to the market potential identified by the Company and others, Mirriad expects further direct competitors to emerge in the next few years. With no specialised providers offering a complete end to end solution, the Directors believe that the Company is well placed to expand its service offering and be a leader in this new market.

Competitive strengths

The Directors believe that there are a number of specific areas which give Mirriad a strong current competitive advantage:

- the intellectual property, algorithms and business know-how possessed by the Company provide a barrier to entry against competitors, including the use of machine learning techniques in the identification of scenes and creation of associated metadata and the Group's patent portfolio;
- the quality of the imaging technology in use by the business which means that NIVA generally looks as if it is has always been part of the video content;
- a substantial volume of data which can be used for machine learning techniques. The Directors believe that it will take competitors a significant amount of time to replicate this metadata;
- the pre-existing relationships and goodwill built up with distributors and broadcasters in the Company's target markets provide an additional barrier, generated by its track record of delivery for many brands and distribution clients; and
- the provision of an end to end service for customers rather than a focus on one part of the value chain makes the service relatively easy to roll out for large enterprise clients, with relatively little integration required on their part.

Legacy product placement

The Directors believe Mirriad has designed a product that is differentiated from the legacy product placement market. Whilst individual brand instances can look similar to product placements, the impact of larger scale and frequency is substantial. Most importantly, Mirriad's business model is designed to engage with mainstream media budgets managed by media agencies where media is planned and bought by audience. Product placement cannot be planned in this way and budgets commonly come from non-traditional marketing budgets, including communications. Therefore, the Directors believe Mirriad's NIVA product in video ads can be considered as:

- addressing a different budget through a different business model to product placement;
- driving different performance due to volume and frequency;
- capable of being packaged with other media more readily; and
- capable of achieving higher levels of liquidity enabled by a systematised approach to sales.

5.6 Key distribution partners

Youku/Alibaba partnership with Mirriad

Alibaba-owned Youku, is a Chinese equivalent of YouTube, with on average 900 million video views per day.

Youku signed a deal for exclusive distribution in China with Mirriad in 2016 and has begun deploying Mirriad's "Marketplace" platform for NIVA trading at scale, with a view to making NIVA a major component of its content monetization strategy, with the potential to displace a significant proportion of pre-roll advertising. The contract expires on 31 December 2017 but the Company is in discussions to extend the contract for a further term on an exclusive basis.

Mirriad undertook a campaign for the Samsung Galaxy Series C smartphone in July 2016 which was delivered through YouKu. The campaign had a unique audience greater than the population of the United Kingdom. Mirriad's resulting revenue was £92,000.

Mirriad generated approximately £350,000 from NIVA campaigns sold through Youku in the twelve months to September 2017 and the Directors understand Youku anticipates this number to grow. In August 2017, Mirriad received its biggest order to date from Youku for an audience-based campaign on behalf of Tangeche, a Chinese car leasing firm.

This campaign is underway to deliver a large number of impressions, greater than the sum of the combined populations of the European Union and North America, with Mirriad revenue equating to approximately £210,000.

The Company believes this is the first large scale audience-based in-video advertising deal of its kind in the world and proves the scalability of Mirriad's business model. This campaign, based on buying a specific volume of audience, is approximately three times larger than any of the Company's previous deals and approximately 10 times larger than the average campaign value to date.

Youku piloted the inventory management features of Marketplace with a select group of 29 users in December 2016. It is envisaged that once the end to end Marketplace is delivered during the first half of 2018, the user base will substantially increase allowing for more routine sales of inventory.

GLOBOSAT partnership with Mirriad

Globosat is part of the market-leading Globo group in Brazil, Latin Americas largest content business. Globosat has 50 million viewers. Globosat signed a contract with Mirriad in 2016 and the first revenue generating advertising campaigns ran in early 2017. The contract with Globosat was extended for 5 years in September 2017. Globosat envisages deploying Mirriad Marketplace during the first half of 2018. Initially, Marketplace will be used across three channels, with plans to expand further to include Globo's main networks.

Univision partnership with Mirriad

Univision is North America's largest broadcasting group serving the Hispanic audience. Univision signed a contract with Mirriad in October 2017 to commence operations as soon as possible, and with a view to leveraging Marketplace during the first half of 2018 to accelerate growth in the US market. Univision routinely broadcasts large volumes of Telenovelas content on its network. Telenovelas are particularly suitable to NIVA as they contain substantial inventory for key brand categories.

5.7 Awards and accreditations

Mirriad's technology has won awards at:

- the Cooley Godward Kronish LLP / NVIDIA Emerging Companies Summit 2009;
- the Liberty Global technology summit 2012; and
- the Unilever Global Domination Award at the Unilever Foundry Event 2017.

Dr. Phil McLauchlan, Mirriad's Chief Scientist, was awarded an Oscar as part of the Academy of Motion Picture Arts and Sciences "Sci-Tech" Academy Awards in February 2013 for his work on visual tracking algorithms and the creation and use of the planar tracker in motion picture post-production.

5.8 Employees

Mirriad had 94 employees at 30 June 2017, which has increased from 78 at 30 June 2016.

As at 8 December 2017 this had increased to 96 employees, primarily related to completing the management team, a maturing technology function and geographic expansion.

6. Market overview

6.1 The video advertising problem

Overview

Viewer's behaviours' have changed over time along with developments in technology and development of content. Consumers are now able to watch a broad range of content on a wide variety of digital platforms on demand. Streaming services and social media platforms both enjoy considerable audiences, with the latter constituting an estimated three billion people globally, according to Medialink. Such developments have increased the range of available content and channels to consumers, with Medialink calculating an average of 3.6 electronic devices per person.

As a result of these and other changes, broadcast television has been augmented by television on demand, with consumers in more control of the content they watch. According to recent research, television advertising in the USA could see a one per cent revenue decline in 2017 as digital advertising has become more popular.

Mobile content has also become an increasingly significant channel. Medialink estimates that the average consumer spends approximately 40 minutes a month on apps and platforms on their phone.

Response

Advertisers have looked to adapt the way they reach audiences with global brands typically now spending half of their marketing budgets on digital platforms. They are also investing in content marketing and have formed marketing groups such as Unilever Entertainment and Unilever Studios to produce content. Many brands now look to reach their customers through the content experience.

Effect

These factors challenge the economics of the content business, with production companies and broadcasters continuing to create popular content. Some commentators believe that we are seeing an increase in production values, with the quality of content improving, with shows such as Hulu's "*The Handmaid's Tale*" winning Emmy awards (September 2017). This is driving audiences and pushing companies such as Netflix, Amazon and Alibaba to invest heavily in generating new and original content. Alibaba's entertainment business has committed around \$7.2 billion to content spend over the period 2017 to 2020. Netflix is estimated to have spent \$6.0 billion in 2016 and most recently announced its first ever content acquisition of Millarworld. Netflix recently announced increasing spend on content to \$8.0 billion for 2018 with planned output of approximately 80 movies, which is more than North America's top three studio groups and thus challenging the traditional studio model. These companies' existing subscription models will not support this investment over the long term without substantial increases in subscription rates. Many streaming services such as Netflix are currently loss making and are therefore likely to need additional sources of revenue.

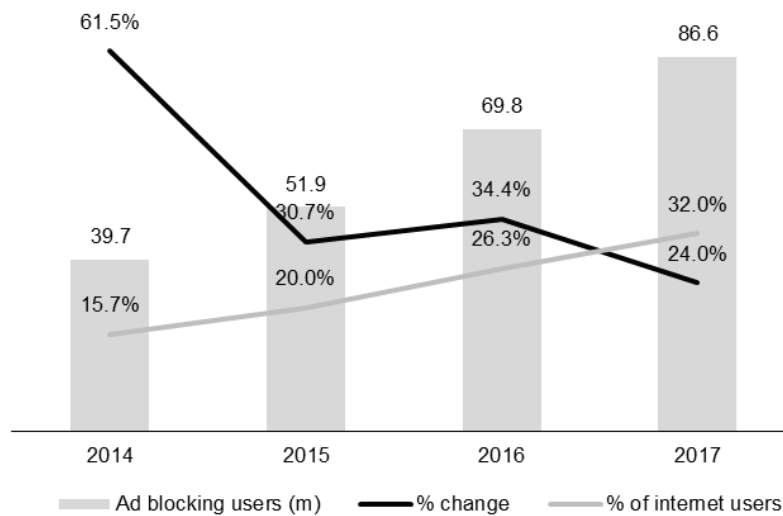
Given the challenges of this change in the economic model for content, a new solution is required that is effective in monetising entertainment content on TV, online and on mobile. The answer must deliver an effective advertising solution for the advertiser at the same time as delivering an engaging result for the audience.

Furthermore, as advertising revenue has come under pressure, distributors and broadcasters have often resorted to increasing advertising load to sustain revenue, such as by having longer ad breaks during broadcasts. This has led to current advertising loads often disrupting the consumer experience of mainstream entertainment content, leading to consumers finding ways to avoid advertising.

Mirriad believes there are three distinct phenomena that are currently disrupting and altering the advertising industry: ad blocking, ad skipping and reduced receptivity.

1. Ad blocking both online and on mobile is becoming a significant challenge to content providers. At December 2016, there were 615 million users of ad-blocking software, representing approximately 30 per cent growth in users year on year.

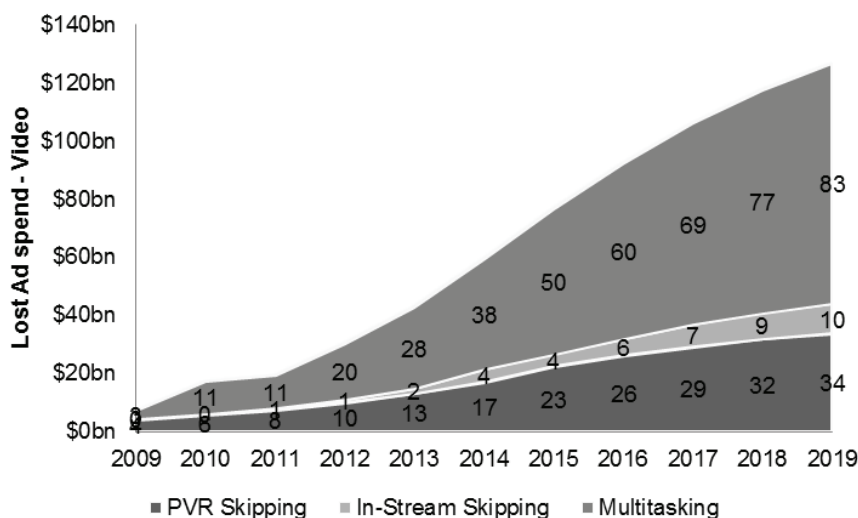
US ad blocking users and penetration, 2014-2017



Note: internet users of any age who access the internet at least once per month via any device (including a mobile device) with an ad blocker enabled. Source: eMarketer, June 2016

2. Ad skipping both online and on mobile is becoming an increasing issue for providers. A 2016 survey by ORC International, in conjunction with Mirriad, found approximately 90 per cent of viewers indicated they skipped all pre-roll ads. Broadcasters are not immune to this issue. Extensive penetration of digital video recorders, such as SKY Box, in Western media markets, allow viewers to skip advertising in broadcast content.
3. Reduced receptivity and engagement of consumers (e.g. multitasking).

These phenomena are forecast to result in over \$125 billion of wasted advertising spend by the end of this decade:



Source: MIDiA Consulting / Mirriad Global Advertising Forecasts, March 2014

The Directors believe that there has been greater industry pressure on the efficacy of interruptive ad formats and that shorter ad formats are more beneficial and less disruptive to the consumer, holding their attention more effectively, particularly in younger generations. While telling a story in six seconds could prove more challenging, it aligns with research that suggests this is the optimal duration for exposure to an audience, after which the impact

starts to level off. The Directors believe that a six second conventional ‘bumper’ advertisement coupled with NIVA in the content could make a high quality marketing tool for brands.

Mirriad believes that a primary solution to the problems described above is Native In-Video Advertising (“NIVA”), as described in the following section.

In market research undertaken by Medialink, key industry stakeholders were enthusiastic about Mirriad’s solution. Traditional TV, digital video, brands and agencies all expressed a positive outlook on the potential and scalability of Mirriad’s offering.

6.2 NIVA

Establishment of NIVA

NIVA is sold and delivered in a similar way to spot or pre-roll advertising. To date, Mirriad has run approximately 200 brand campaigns and pilots or proofs of concept globally. These campaigns have comprised over 9,000 individual brand integrations. Typically, these campaigns are sold at a media rate of 1.5 to 2 times that of alternative advertising (pre-roll, mid-roll or broadcast spot advertising).

The majority of sales are delivered by the distributor’s own sales teams (advertising sales teams at video distributors and broadcasters). A minority of sales are delivered or catalysed by Mirriad’s own sales/business development team which can lead to a greater revenue share than the standard 20 per cent that the Company usually achieves.

The Company believes that its technological capabilities, particularly the completion and delivery of Marketplace, will drive greater liquidity and help to establish Mirriad as a standard part of brands’ video marketing spends.

NIVA ad unit construct

NIVA ad units are standard durations of brand exposure delivered with a managed level of visibility as measured by Mirriad’s Visual Impact Score (“VIS”) methodology.

Mirriad calculates VIS using a blend of the size, duration and other key parameters of the “viewability” of a brand. This means that advertisers are only charged for the time when the brand is clearly visible to the audience in the video and not, for example, where it is partially obscured or unrecognisable.

In the opinion of the Directors, VIS has two key benefits: firstly, it relates to, and provides a measurement of, visibility and value, two of the three key ‘V’s’ for advertisers and brands. Secondly, it is calculated automatically by Mirriad’s technology, and will be verifiable by leading ad effectiveness agencies such as ComScore.

In bringing standardisation to the native integration market through VIS, Medialink believes Mirriad is facilitating an important step in demonstrating to marketers that ROI be calculated on NIVA.

NIVA definiton

A NIVA ad unit is 10 or 7 seconds of brand integration in a video, depending on the type of content. Generally 10 seconds is used, with 7 seconds for short form content, such as a music video.

These 10 seconds (or 7 seconds for short-form content) can be consecutive or split into non-consecutive instances. Once this 10 second threshold is reached in the video, this constitutes a billable ad unit. Mirriad NIVA ad units can be bought by advertisers using the main digital advertising trading mechanic – CPM, or similarly CPT for TV. The value of ad units is ultimately determined by whether an ad unit has been viewed by the audience in the right context at the right time and if this view can be verified.

Benefits of NIVA to partners

According to the Media Ratings Council, a viewable online video impression for pre-roll ads is defined as 50 per cent of an ad frame being viewable for a minimum of 2 seconds. However, brands such as Unilever believe that the current viewability standards should be higher.

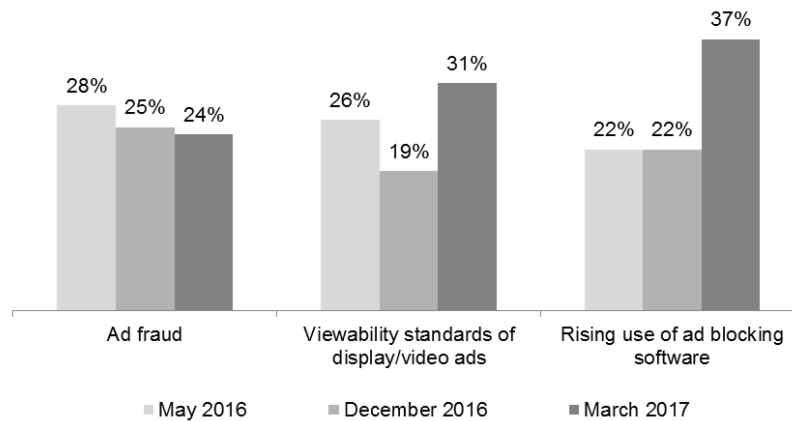
Mirriad believes that digital marketing platforms need to address the three “Vs”:

1. viewability;

2. verification; and
3. value.

Keith Weed, Chief Marketing Officer of Unilever, has spoken publicly on the need for digital marketing platforms to address the three “Vs”.

As Medialink data below indicates, over the past year there has been an increased level of concern by marketing professionals on viewability standards and adblocking software.



Source: Medialink 2017

Verifying the value of advertising is critical for any brand. As such, the Directors believe that independent third-party verification will need to become market standard and this is why Mirriad is partnering with third parties, such as Miaozen Systems in China and ComScore in the US, internationally to verify NIVA ad unit exposure.

This strategy should allow data to be integrated into standard media buying and selling platforms.

A proposal to a partner will contain the following elements:

- quantity, in terms of: ad units, audience and impressions;
- quality, gauged through: visual effectiveness score; and
- cost, represented by the industry-standard cost per mille metric.

In addition to the Company’s work on third party verification, NIVA units have been developed through a collaborative effort with agencies that focus on brand integration, notably Repucom (part of Neilson). Furthermore, the Company is extending its efforts to working with advertising bodies such as the Internet Advertising Bureau to confirm that the NIVA units meet the required standards.

NIVA effectiveness

To prove the value that Mirriad believes it delivers to brands, the Company and other third parties have conducted 15 research studies in six markets working with multiple research organisations (such as Ipsos, Nielsen and Interpret) and media agencies (such as Havas) as well as the broadcasters themselves.

These studies show that Mirriad NIVA ad units significantly improve brand awareness, advertising recall, brand image and increased purchase intent.

In the digital space, NIVA ad units can be as much as twice as effective as traditional pre-roll adverts. For example, Ipsos research showed that Mirriad ad units increased spontaneous awareness of Lady Million perfume, a Paco Rabanne sub-brand, by 31 per cent compared to traditional pre-roll advertising. This means that after exposure to Mirriad ad units, the number of viewers who spontaneously recalled Lady Million doubled when compared to a pre-roll control group taking into account factors such as ad skipping.

On television, NIVA ad units have been shown to significantly increase brand KPIs. For example, Nielsen research conducted in partnership with ITV across eight brands showed that 16 per cent of viewers had increased levels of interest in buying the brand's products compared to viewers not-exposed to Mirriad Ad Units. This number increased with the frequency of the advertising exposure, which in turn can drive propensity to purchase.

According to Medialink, Mirriad's ability to digitally insert these new ad units quickly and at scale is seen as an important tool to maintain reach, awareness, and effectiveness in a rapidly changing media environment by its customers.

7. Financial information

The following summary of financial information relating to the Group's activities for the period from incorporation to 30 June 2017 has been extracted without material adjustment from the financial information on the Group set out in Part IV of this document. **In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.**

	<i>Period ended December 2015</i>	<i>Year ended December 2016</i>	<i>6 month Period Ended June 2016</i>	<i>6 Month Period Ended June 2017</i>
Revenue	343,531	710,866	318,167	352,163
Cost of Sales	(125,260)	(151,586)	(99,360)	(96,820)
Gross Profit	218,271	559,280	218,807	255,343
Gross Profit %	64%	79%	69%	73%
Administrative expenses	(3,623,024)	(7,994,910)	(3,753,802)	(5,160,230)
Other Income	172,717	141,225	98,334	—
Operating Loss	(3,232,036)	(7,294,405)	(3,436,661)	(4,904,887)
Finance Income	—	301	—	351
Finance Costs	(1,634)	—	—	—
Loss before income tax	(3,233,670)	(7,294,104)	(3,436,661)	(4,904,536)
Income tax expense / (credit)	41,354	142,887	52,901	117,249
Loss for the year	(3,192,316)	(7,151,217)	(3,383,760)	(4,787,287)
Add back:				
Depreciation	112,640	133,039	71,446	22,940
Amortisation of intangible asset	342,895	596,626	277,006	375,620
Write-back of negative goodwill	(451,274)	—	—	—
Finance cost/(income)	1,634	(301)	—	(351)
Income tax credit	(41,354)	(142,887)	(52,901)	(117,249)
Adjusted EBITDA	(3,227,775)	(6,564,740)	(3,088,209)	(4,506,327)

The results for the year ended 31 December 2016 show an increase in revenue of £367,335 compared to the period since incorporation to 31 December 2015. This was principally due to refocusing of the business on large customers in the Group's target markets and in particular the growth in revenues from YouKu in China.

Gross margin increased in the same period from 64 per cent. to 79 per cent.. Cost of sales represents the cost of the Group's staff directly involved in the creation of advertising units. The number of staff employed between the end of 2015 and the end of 2016 increased by only one person. As revenue increased this drove the increase in gross margin.

Other income in all periods relates to grants received from UK and European government bodies in support of the Company's research and development activities which all take place in the UK. In the period ended 31 December 2015, receipts relate to two individual grants while there was one grant in progress in the year ended 31 December 2016.

The loss after tax in the year ended 31 December 2016 increased to £7,151,217 an increase of £3,958,901 compared to the eight month period ended 31 December 2015. This was driven by an increase in administrative costs as the group expanded its commercial operations in China and the US and increased its UK based technology headcount. The tax credit shown in both 2015 and 2016 relates to UK tax credits for the Group's research and development activities and increased because headcount in this area increased over the period.

The acquisition of the business and assets of Mirriad Limited in early 2015 resulted in the recognition of an intangible asset as the fair value of the assets acquired exceeded the purchase consideration. Subsequently the negative goodwill was written back to the income statement in the period ended 31 December 2015. The acquired intangible asset is being amortised over four years resulting in an annual charge of £510,162.

The balance of amortisation in each period relates to the amortisation of development costs as a result of the application of IAS 38. The Company is amortising the relevant capitalised development costs over three years.

The Group holds relatively few fixed assets and the depreciation charges shown relate to IT assets held by the Group which are mainly represented by personal computers used by the Group's staff in the ordinary course of business. The charge in the period ended 31 December 2016 increased by £20,399 to £133,039 as the Group retired obsolete assets in its UK and Indian operations.

Revenue for the six months ended 30 June 2017 show an increase in revenue of £33,996 over the comparable period to June 2016. This increase was a result of the contribution of the new contract with Star India.

The Group's gross profit increased by £36,536 as the cost of staff (classified as cost of sale) remained largely flat with margin increasing from 69 per cent. to 73 per cent..

The Group received no grant income in the six months ended 30 June 2017 whereas grant income totalled £98,334 in the first six months of 2016.

The Group's administrative costs rose from £3,753,802 in the six months ended June 2016 to £5,160,230 in the six months ended June 2017 as the Group continued to add staff in its Chinese office, in the US, and opened a new office in Brazil. The Group also added additional staff to its technology team.

Amortisation increased from £277,006 to £375,620 due to an increase in the value of capitalised development costs.

The Group's overall depreciation charge declined in the six months ended 30 June 2017 following the retiring of assets noted above.

The UK research and development tax credit continued to increase as the Group continued to add to its technology staff head count.

Revenue by Geography

	<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
United Kingdom	305,253	520,655
USA	9,719	50,575
India	28,559	74,727
China & Singapore	—	64,909
Total	343,531	710,866

8. Current trading and prospects

The Company's customers are principally large, blue-chip organisations. Working with large enterprises generally results in longer sales cycles, and slower deployment and adoption than smaller customers, but with prospects for significantly greater revenues from the services provided. As none of the Company's existing customers are yet fully deployed on Marketplace, Group revenue has been difficult to predict and subject to substantial monthly fluctuation. With long sales cycles, the period from date of contract signing to date of first transaction and subsequent meaningful revenue can be lengthy.

Revenues have grown from approximately £344,000 in the period ended 31 December 2015 to over £711,000 in the year ended 31st December 2016.

For the six months ended 30 June 2017 revenue was £352,000 compared to £318,000 in the equivalent period in 2016.

The Group's revenue is generated almost exclusively outside of the UK, with the largest market being China. The Group has a series of signed contracts with customers around the world as well as contracts in the course of negotiation in the US and Germany.

As at 31 October 2017, the Group's cash and net asset balances have reduced by £2.6 million and £1.8 million respectively since 30 June 2017, predominantly due to continued net operating losses, including costs associated with the new London office. The operating cash outflow was partly offset by a cash inflow of £1.4 million, as a result of the issuance of preference shares associated with the final part of a fundraise agreed in 2016.

EBITDA and profit after tax have decreased by £1.3 million and £1.4 million respectively for the 4-month period to 31 October 2017 compared to the prior year comparative, due to additional staff and rental costs associated with the Group's expansion.

The Company is currently completing work on its Marketplace product which it expects to have deployed with Youku/Alibaba during the first half of 2018. The Directors believe that the full execution of Marketplace is a necessary condition to achieving scale with any customer and delivering a stable and growing revenue stream. The Directors believe that the key markers of success for the business are progress against customer engagement, rather than short term revenue.

The Company is also in early stage discussions with a Chinese investor which may or may not lead to an equity subscription being made in the Company. Any such subscription would be at no less than the Placing Price and for a maximum amount of £2 million.

9. Incentive schemes and share awards

Share option schemes

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group.

Accordingly, the Company has established the Share Option Schemes.

The EMI Scheme (for employees) and the Unapproved Scheme (for non-executive directors only) were adopted by the Company on 20 August 2015. There are options outstanding under the EMI Scheme over 6,576,822 Shares (of which 3,521,750 are subject to unapproved options) and under the Unapproved Scheme over 1,597,914 Shares. As drafted, both schemes contained a provision whereby the normal three-year vesting schedule of the options will be accelerated on Admission, such that all subsisting options could be exercised either immediately prior to Admission or during the 90 days following Admission, with the lapse of unexercised options occurring 90 days after Admission.

The Board resolved on 14 November 2017 to amend the EMI Scheme, in respect of unapproved options granted under the EMI Scheme rules only, and the Unapproved Scheme, to permit holders of unapproved options to choose either to accept the accelerated vesting and exercise their options within 90 days of Admission or to accept an amendment whereby unapproved options will continue to vest under their original vesting schedule unless the option holder's office as a director terminates or their employment ceases, in which case their option vesting will accelerate and they can exercise in full for a specified period post termination.

In respect of Unapproved Options granted to the Chairman by the Company on 20 August 2015 and 16 December 2016, respectively, following a previous agreement between the Chairman and the Company, the Chairman's options will vest in full on Admission and he will be permitted to exercise them at any time from Admission until 5 years after he ceases to be Chairman or a non-executive director of the Company, subject to the AIM Rules for Companies, MAR and the lock-in arrangements contained in the Placing Agreement.

For EMI options granted under the EMI Scheme, Admission will remain an exercise trigger and unexercised options will lapse 90 days after Admission. EMI option holders who choose to exercise their options at Admission will be permitted to sell sufficient Ordinary Shares in the Placing to

cover the aggregate exercise price. Since the capital gains tax liability arising for EMI option holders who sell some Ordinary Shares to cover the exercise price will not be payable until 31 January 2019, the option holders will only sell sufficient Ordinary Shares to cover their exercise price. Holders of unapproved options who choose to exercise their options will be required to provide cleared funds to cover the aggregate exercise price payable and, following confirmation by the Company of any tax and/or social security liabilities, any such liabilities.

The LTIP is a new unapproved option scheme which will be adopted by the Board immediately prior to Admission pursuant to which unapproved options can be granted to executive directors and employees. The New EMI Scheme adopted on the same date as the LTIP is contained within the schedule to the LTIP rules.

Further details of the Share Option Schemes are set out in paragraph 9 of Part V of this document. Details of options currently held by the Directors under the EMI Scheme and the Unapproved Scheme are set out in paragraph 7 of Part V of this document. It is currently intended that all options to be granted by the Company after Admission will be granted under the LTIP, including the New EMI Scheme, and that no further options will be granted under the EMI Scheme and the Unapproved Scheme after Admission. The LTIP will be used to provide share incentives to Directors and key employees after Admission. Following Admission, the Company intends to grant options under the LTIP on terms that reflect market practice for AIM quoted companies of an equivalent size operating in comparable industries.

Bonus scheme

The Company has an annual bonus scheme (the “Bonus Scheme”) to which the Executive Directors and all other employees are eligible to participate. To be eligible to participate in the Bonus Scheme, an employee must be employed by the Company at the end of the period to which the Bonus Scheme relates. Bonuses (calculated as a specified percentage of an employee’s salary) are a combination of individual and Company performance related targets. The specific targets and measures for each financial year will be set by the Remuneration Committee and take into account that year’s strategic and operational objectives. All bonus payments are discretionary and are approved by the Remuneration Committee.

Given the geographic spread of the Company’s operations there are a number of different local market norms that the Company needs to deal with. The Directors believe that it may become necessary in future for employees in different countries to be subject to different bonus arrangements that reflect those local needs. Schemes and targets will always be subject to Remuneration Committee approval and the payment of any actual bonus requires Remuneration Committee approval.

10. Dividend policy

The declaration and payment by the Group of any future dividends on the Ordinary Shares and the amount will depend on the results of the Group’s operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. However, given the Company’s early stage of development, the Directors do not envisage that the Company will pay dividends in the foreseeable future and intend to re-invest surplus funds in the development of the Group’s business.

11. Reasons for the placing and use of proceeds

The net proceeds of the Placing receivable by the Company are approximately £24.2 million. The net proceeds will be applied principally as follows:

- to finance expansion;
- to fund the general working capital requirements of the Group; and
- for general corporate purposes.

The use of proceeds to finance expansion will primarily be spent on the funding of operating expenditure associated with an increase in the number of employees of the Group. It is envisaged that approximately 30 per cent of this increased operating will relate to sales and business development staff, approximately 22 per cent will relate to other overheads e.g. rent, approximately 17 per cent will relate to technology staff and the balance will be spent on other types of staff.

The Directors believe that Admission will be beneficial to the Company for the following reasons:

- it will provide the Company with greater flexibility for further growth;
- the Company will be better positioned to attract, recruit and retain key employees;
- it will increase access to capital should further finance be required to expand the business of the Company;
- it will raise the profile of the Company; and
- it will provide a market for the sale of shares by existing Shareholders and may assist in attracting new investors.

12. Lock-in and Relationship Agreement

Lock-in arrangements

Certain Shareholders (the “Covenantors”) and each of the Directors, holding, in aggregate, 47.3 per cent of the Enlarged Share Capital, have undertaken to the Company, Numis and Baden Hill (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer of the entire issued share capital of the Company) not to dispose of the Ordinary Shares held by each of them (and their connected persons (within the meaning of section 252 of the Act)) (the “Restricted Shares”) following Admission or any other securities issued in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to: (i) the six month anniversary of Admission in respect of the Covenantors (the “Covenantor Lock-in Period”); and (ii) the twelve month anniversary of Admission in respect of the Directors (the “Director Lock-in Period”) without the prior written consent of Numis and Baden Hill.

Furthermore, each of the Covenantors and the Directors has also undertaken to the Company, Numis and Baden Hill not to dispose of the Restricted Shares for: (i) a further six month period following the expiry of the Covenantor Lock-in Period in respect of the Covenantors; and (ii) a further twelve month period following the expiry of the Director Lock-in Period in respect of the Directors, otherwise than through the Company’s brokers at the relevant time and in such manner as they may determine with a view to maintaining an orderly market.

Further details of these arrangements are set out in paragraph 11(b) of Part V of this document.

Relationship Agreement

In light of IP2IPO Portfolio L.P., IP2IPO Nominees Limited and Parkwalk’s aggregate shareholding in the Enlarged Share Capital immediately following Admission, as set out in paragraph 7.5 of Part V of this document, IP2IPO Portfolio L.P., IP2IPO Nominees Limited and Parkwalk have entered into the Relationship Agreement in order to regulate the relationship between each of them and the Company.

Further details of these arrangements are set out in paragraph 11(d) of Part V of this document.

13. Admission to Trading, Settlement and Dealing Arrangements

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 19 December 2017.

No temporary documents of title will be issued. All documents sent by or to a placee, or at his direction, will be sent through the post at the placee’s risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a “system member” (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

14. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

15. Details of the placing and admission

The Company, the Directors and the Joint Bookrunners have entered into the Placing Agreement relating to the Placing and the Selling Shareholders have each entered into a Selling Shareholder Agreement with Numis. Pursuant to the Placing Agreement, subject to certain conditions, the Joint Bookrunners have severally and conditionally agreed to use their respective reasonable endeavours to procure subscribers for the Placing Shares to be issued by the Company under the Placing.

Under the Selling Shareholder Agreements, Numis has conditionally agreed to use its reasonable endeavours to procure purchasers for the Sale Shares to be sold under the Placing. The Placing has not been underwritten. The Placing Shares represent approximately 41.5 per cent of the Enlarged Share Capital.

Further details of the Placing Agreement are set out in paragraph 11(a) of Part V of this document.

The Selling Shareholder Agreements are conditional upon the Placing Agreement becoming unconditional in all respects by not later than 8.00 a.m. on 19 December 2017 (or such later date as Numis and the Company may agree). The Selling Shareholders agree to pay Numis a commission on their Existing Ordinary Shares which are sold in the Placing. The Selling Shareholders comprise certain Directors and managers of the Company further details of which are set out in paragraph 17 of Part V.

The Sale Shares were issued to the Selling Shareholders pursuant to the exercise of their EMI Options. The Selling Shareholders are selling their Sale Shares to fund the exercise price, stamp duty (if any) and commission payable to Numis in relation to the Sale Shares.

The Placing will raise approximately £25.4 million (before expenses) for the Company and will raise approximately £0.8 million (before expenses) for the Selling Shareholders. The Selling Shareholders have agreed to satisfy any liability to stamp duty or stamp duty reserve tax (if any) arising on the sale of the Sale Shares in accordance with the terms of the Selling Shareholder Agreements.

The EIS Placing Shares will be unconditionally issued to the relevant Placees one business day prior to the anticipated date of Admission, so that Placees investing as part of the EIS Placing should be able to benefit from tax advantages pursuant to the EIS rules as governed by HMRC.

On Admission, which is expected to take place on 19 December 2017, subject to the conditions in the Placing Agreement being satisfied and/or waived, the Company shall issue the General Placing Shares and the Selling Shareholders shall sell the Sale Shares.

The new Ordinary Shares issued pursuant to the Placing will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.

The General Placing is conditional, *inter alia*, upon Admission having become effective by not later than 8.00 a.m. on 19 December 2017 or such later time and date, being not later than 8.30 a.m. on 20 December 2017, as the Company, Numis and Baden Hill shall agree.

Further details of the Placing Agreement are set out in paragraph 11(a) of Part V of this document.

16. Share Dealing Code

The Company has adopted a share dealing code, with effect from Admission, for Directors and applicable employees (as defined in the AIM Rules for Companies) of the Group for the purpose of ensuring compliance by such persons with the provisions of Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities. The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of MAR.

17. The City Code on Takeovers and Mergers

The Company is incorporated in the UK and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the City Code applies to the Company.

Under Rule 9 of the City Code ("Rule 9"), any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the City Code) with him) in aggregate, carry 30 per cent or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel on Takeovers and Mergers (the "Panel") to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent of the voting rights of such a company but does not hold shares carrying more than 50 per cent of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the twelve months prior to the announcement of the offer.

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30 per cent or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

The Panel considers IP2IPO Portfolio L.P., IP2IPO Nominees Limited, Top Technology Ventures Limited, Parkwalk, Numis, Mark Reilly and Alastair Kilgour as persons acting in concert for the purposes of the City Code.

On Admission, the Concert Party will hold 49,487,036 Ordinary Shares, in aggregate, representing 48.6 per cent of the Enlarged Share Capital.

Since, on Admission, the Concert Party will together hold more than 30 per cent. but less than 50 per cent. of the Enlarged Share Capital, if the Concert Party was to increase its aggregate holding of Ordinary Shares (whether pursuant to an acquisition of Ordinary Shares, a grant of options over the Ordinary Shares or otherwise), it will be obliged, except with the consent of the Panel, to extend a mandatory offer for the Company under Rule 9 as referred to above.

Prior to the grant of options or other rights to subscribe for Ordinary Shares to the Concert Party (or any individual member thereof) the Company shall seek approval from the Panel, and from the Shareholders, on a poll, of a whitewash resolution to waive the requirement on the Concert Party to make a mandatory offer under Rule 9 on the grounds that the Concert Party's interest in Ordinary Shares will increase as a result of any such grant.

Further details concerning the shareholdings of the Concert Party are set out in paragraph 7.5 of Part V of this document.

18. Taxation

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 10 in Part V of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

19. Further information

Your attention is drawn to Part III of this document which contains certain risk factors relating to any investment in the Company and to Parts IV and V of this document which contain further additional information on the Group.

PART II

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

Brief biographies of the Directors and the senior managers of the Group are set out below. Paragraph 6 of Part V of this document contains further details of current and past directorships and certain other important information regarding the Directors.

Directors

Roger Conant Faxon, aged 69 – Non-executive Chairman

Roger joined the Board in June 2015. Former CEO of EMI Group, EVP / COO for Lucasfilm and Senior EVP of Columbia Pictures, Roger currently leads A&R Investments, is a non-executive director of ITV plc, sits on the Council of the Brookings Institution and is a member of the Academy of Motion Pictures Arts And Sciences and The Recording Academy.

Mark Sabin Tadeusz Popkiewicz, aged 58 – Chief Executive Officer

Mark joined the Board in May 2015. 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.

David Dorans, aged 51 – Chief Financial Officer

David will join the Board on Admission 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.

Dr Mark Alexander Reilly, aged 38 – Non-executive Director

Mark will join the Board on Admission. 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. 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.

Alastair Hugh Lowell Kilgour, aged 61 – Non-executive Director

Alastair will join the Board on Admission. Prior to joining the Board in a personal capacity, Alastair was the representative of Parkwalk Advisers Limited, which was a corporate director of the Company from 20 May 2015 until Admission. Before co-founding Parkwalk Advisers in 2009, Alastair was a Partner of Lazard LLP, Director of BNP and a Founder Partner of Ark Securities. Alastair is the Chief Investment Officer at Parkwalk.

Anthony John Pearson (known as John Pearson), aged 60 – Non-executive Director

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. John is currently Chairman of FairFX plc and Imagen Video Asset Management.

Senior management

The Directors are supported by the following key senior managers:

Matt Wilkinson, aged 40 – Executive Vice President

Matt joined the Group in September 2013. He was the former Managing Director of Talenhouse, Director at The Hollywood Reporter and Sales Director of OK Magazine. Matt brings with him years of expertise in entertainment and extensive brand and agency sales experience in rich media.

Dr Tim Harris, aged 36 – Chief Technology Officer

Tim joined the Group in April 2013. He is an experienced software developer and engineering manager, and has trained to evaluate the business value of technology and the engineering implications of business decisions. Tim holds an Engineering Doctorate from the Institute for System Level Integration.

Dr Phil McLauchlan, aged 53 – Chief Science Officer

Phil joined the Group in October 2007. He worked as a researcher at the foremost computer vision research groups, including RRG Oxford and UC Berkeley, before moving to industry with Imagineer Systems, a software company he co-founded in 2000. Phil has focused on products and applications around new understanding of visual perception of motion and shape.

Stephen Stewart, aged 52 – Global Head of Advertising Operations

Stephen joined the Group in September 2017. A specialist television content operations professional, he previously held positions including VP of Global Operations at BBC Worldwide, Head of Business Development at Deluxe Entertainment Services, Senior Account Director and Head of Payout Operations at Red Bee Media (formerly part of BBC Broadcast Limited). Stephen is also an experienced TV director having directed a diverse range of live television programmes ranging from Formula One to UK Parliamentary coverage. Stephen is a member of The Hollywood Professional Association and The Institute of Leadership and Management.

Daniel Hansen, aged 36 – Head of Product

Daniel joined the Group in October 2017 from Criteo, a leading ad tech organisation. At Criteo he managed their product marketing team for Advertiser facing products, optimizing product positioning and identifying new product propositions to market. Prior to this, Daniel has an extensive track record of building high performing teams and introducing innovative solutions in new markets, through his own start-ups or on behalf of other leading organisations with a particular focus on machine learning based technologies.

Rebekah Audic, aged 53 – Global Head of Marketing

Rebekah joined the Group in July 2017. Rebekah is an experienced market and communications executive. Rebekah previously held leadership positions in marketing and communications at video content agency LoveLive, where her clients included Amazon, Warner Music Group, Spotify and Getty Images, the leading source of visual content in the world.

Corporate Governance

The Directors recognise the value and importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the principal provisions of the UK Corporate Governance Code to the extent the Directors consider appropriate in the light of the Group's size, stage of development and resources. As far as is practicable the Company also proposes to follow the recommendations set out in the QCA Code.

The Board

The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. While the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will meet regularly to review performance.

The Board currently comprises six Directors, of which two are executive and four are non-executive. The Board considers two of the non-executives, being Roger Faxon and John Pearson, to be independent for the purposes of the UK Corporate Governance Code.

With effect from Admission, the Board has established an audit committee (the "**Audit Committee**") and a remuneration committee (the "**Remuneration Committee**") with formally delegated responsibilities.

The Audit Committee

The Audit Committee will be chaired by Mark Reilly. Its other member will be Roger Faxon. The Audit Committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet at least twice a year and will have unrestricted access to the Company's auditors. As currently composed the Audit Committee does not comply with the QCA Code. However, it is the Company's intention to seek to appoint a further independent non-executive director once a suitable candidate has been identified who would be appointed to the Audit Committee to bring it into compliance with the QCA Code.

The Remuneration Committee

The Remuneration Committee will be chaired by John Pearson. Its other members will be Mark Reilly and Alastair Kilgour. The Remuneration Committee will review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the non-executive directors of the Company will be set by the Board.

PART III

RISK FACTORS

Investing in and holding Ordinary Shares involves financial risk. Prospective investors in the Ordinary Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Ordinary Shares, the Group's business and the industry in which it participates.

The risk factors set out below, which are not set out in any order of priority, apply to the Company and Group as at the date of this document.

The risks and uncertainties described below are not an exhaustive list, are not set out in any order of priority and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Company and should be used as guidance only. Additional risks and uncertainties relating to the Group and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this document.

RISKS RELATING TO THE GROUP'S BUSINESS

Limited period of operating history and history of losses

The Company was incorporated in 2015 and therefore has a comparatively short operating history, which makes an evaluation of the Company's business and prospects more difficult. In particular, the Company has to date earned modest revenue from sales and, as a result, the Company has incurred net losses. The Company's development programme and growth plans, in relation to its commercial activities, including the proposed expansion of staffing levels, together with anticipated general administrative expenses, could result in the Company sustaining significant losses for the foreseeable future. In addition, there are risks associated with such expansion, not least because of the need to control the operating expenses in the period when significant income is starting to be generated.

Wide market adoption

The Company believes the addressable market for its services is both very large and global because of the continuing pressure on traditional advertising models and that this in turn will drive adoption of the Company's services. However, the Company currently serves only a very small sample of this market. Fully addressing the market opportunity will require considerable investment in staffing and interaction with large enterprise class customers. This may result in additional costs being incurred in advance of meaningful revenue generation. If the market does not develop as the Directors anticipate, the Company's growth plans, business and financial results may suffer.

Commercialisation of Marketplace product

The Company's revenue expectations depend on the successful roll out of its Marketplace platform to key customers. If the Company is not able to manage those demands to customers' satisfaction, it may experience reputational and/or financial damage and fail to achieve the growth in revenue expected by the Directors.

Continued investment and product development

The Company needs to continue to invest significant resources in catalysing the market and ensure adoption of its services. The Company will also have to invest in research and development

in order to enhance the Company's existing services and introduce new high quality products and services. If the Company is unable to ensure that its customers have a high quality experience with the Company's products and services, then they may become dissatisfied and move to competitors' products and services. The Company's future success will depend on its ability to adapt to rapidly changing customer requirements. Failure to adapt to such changes would harm the Company's business.

Competition

In the opinion of the Directors, the Company has not yet experienced meaningful competition. In the short term there are few, if any, competitors who can provide an equivalent service to the market but there are very large and well-resourced organisations who sell advertising products as part of their core business that will also see the market potential that the Company sees. While the Directors believe that replication of the Company's technology is complex, an organisation with the ability to invest and devote resource to the development of an advertising product could ultimately replicate the service provided by the Company. It is not currently possible to determine from where the emerging competition will arise. The Company's future competitors may announce or develop new products, services or enhancements that better meet the needs of customers. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, financial condition and results of operations. Many of the Company's competitors and potential competitors have significantly greater financial, technical, marketing or service resources than the Company and have a larger base of products, longer operating histories and/or greater name recognition. The Company's relatively small size may therefore be considered negatively by prospective customers. In addition, the Company's competitors may be able to respond more quickly than the Company can to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products and to the development of new products.

Commercial arrangements

The Company's principal arrangements for the commercialisation of its products are in the early stages of development. While the Company has customer contracts with a number of identified customers, the Company's growth plans are dependent on, and have been developed on the assumption of, certain minimum levels of the service being adopted by the partners it has identified. However, there can be no guarantee that the principal commercial arrangements with global partners will proceed beyond the initial phases of such arrangements, even if such phases are successfully completed, or that following the initial phases of such arrangements, the strategic partners identified will choose to implement the Company's service at any particular level, or at all.

No minimum contractual volumes

Substantially all the Group's revenue is derived from contracts which contain no contractual obligation to maintain or renew any level of purchasing activity and there is no minimum purchasing commitment under the Group's agreements with those customers. Customers are therefore freely able to reduce the level of and/or range of services they are procuring from the Group and any resulting reduction in the customers' spending would have an adverse impact on the Group's business, results of operations and financial condition.

Failure to renew contracts

Typically, the Company's contracts are for 24 month durations, some of which are due to expire at the end of the current year. The Company's customers may not renew their contracts for the Company's services. Renewal rates may decline or fluctuate as a result of a number of factors, including customers' level of satisfaction with the Company's service and their ability to continue their operations and spending levels. If the Company experiences a decline in the renewal rates for customers or a downward pressure on rates, the Company's revenue and operating results may be adversely impacted.

Adequate supply of inventory for commercialisation and to meet demand

The Company requires a continual and growing supply of high quality entertainment content, which has been rights cleared for the insertion of digital images, from its customers. This content is used to generate the inventory which Mirriad's customers then sell on to media agencies and

advertisers. The failure to achieve a growing supply of inventory could have a material impact on the business and financial performance of the Company.

In common with many early stage development companies faced with a global market opportunity, it is possible that there may be times when the Company is subjected to an unpredictable and heavy demand for its services before it has fully developed the requisite systems and processes to satisfy such demand.

Economic conditions

Any economic downturn either globally or locally in any area in which the Company operates may have an adverse effect on the demand for the Company's services. A more prolonged economic downturn may lead to an overall decline in the volume of the Company's sales, restricting the Company's ability to generate a profit. If economic conditions remain uncertain, this might have an adverse impact on the Company's operations and business results.

Furthermore, advertising has historically been a cyclical industry which means that it may be more sensitive to trends in the macroeconomy.

Growth management and requirement for strategic flexibility

The Directors believe that further business expansion will be required in the future to capitalise on the anticipated increase in demand for the Company's services. The Company's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on management, finance and support functions, sales and marketing, research and development, and other resources. If the Company is unable to manage its expansion effectively, its business and financial results could suffer.

Moreover, the Company believes that its continued success depends on investing in new business strategies or initiatives that complement the Company's strategic direction and product road map. Such endeavours may involve significant risks and uncertainties, including distraction of management's attention away from other business operations and insufficient revenue generation to offset liabilities and expenses undertaken with such strategies and initiatives. No assurance can be given that such endeavours will not materially adversely affect the Company's business, operating results or financial condition.

Dependence upon key intellectual property including patents and knowhow

The Company's success depends in part on its ability to protect its rights in its intellectual property. The Company's intellectual property also includes know-how related to the provision of NIVA and associated products and services. The Company relies upon various intellectual property protections, including patents, copyright, trademarks, trade secrets and contractual provisions, to preserve its intellectual property rights. Despite these precautions, it may be possible for third parties to obtain and use the Company's intellectual property without its authorisation. There may not be adequate protection for the intellectual property in every country in which the Company sells its services and policing unauthorised use of proprietary information is difficult and expensive. Due to the Company's size and limited cash resources, it has historically taken only limited action to protect its key intellectual property and it may not be able to detect and prevent infringement of its intellectual property rights. Should a third party successfully demonstrate priority over any of these rights, it could inhibit the Company from selling services in certain territories. The steps which the Company has taken and intends to take to protect its intellectual property may be inadequate to prevent the misappropriation of its proprietary technology. Any misappropriation of the Company's intellectual property could have a negative impact on the Company's business and its operating results. Furthermore, the Company may need to take legal action to enforce its intellectual property, to protect trade secrets or to determine the validity or scope of the proprietary rights of others. Litigation relating to the Company's intellectual property, whether instigated by the Company to protect its rights or arising out of alleged infringement of third party rights, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation, or that it can be effectively used to enforce the Company's rights.

Reliance on third party cloud based services

The Company's business depends on the use of cloud based services provided by Amazon Web Services, IBM and Alicloud in the PRC. In each case these services are on the service provider's standard terms. The agreements provide few service assurances and, were a significant outage to

occur, there is limited contractual assurance around the resumption of services, limited contractual recourse or remedy for the Company to service providers. The Company gains comfort from the providers' reputations and past consistency of service. However, there is a risk that a significant outage could adversely impact the service the Company is able to provide to its customers. The Company may not be able to meet its customer's performance requirements in such situations, which could result in customers seeking to terminate their relationship with the Company. In addition, the Company's inability to meet its promised service levels may damage its reputation and could reduce the confidence of the Company's customers in its service, impairing its ability to retain existing customers and attract new customers.

Claims by third parties

While the Directors believe that the Company's services and other intellectual property do not infringe upon the proprietary rights of third parties, there can be no assurance that the Company will not receive communications and/or claims from third parties asserting that the Company's services and other intellectual property infringe, or may infringe, their proprietary rights. Any such claims, with or without merit, could be time consuming, result in costly litigation and the diversion of technical and management personnel, cause product delays or require the Company to develop non-infringing technology or enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Company or at all. In the event of a successful claim of infringement against the Company and any failure or inability of the Company to develop non-infringing services or licence the infringed or similar products, the Company's business, operating results or financial condition could be materially adversely affected.

If the Company is unable to maintain a high level of customer service and customer satisfaction, demand for the Company's services could suffer

The Company believes that its future revenue growth depends on the Company's ability to provide customers with a quality service that not only meets the Company's stated commitments, but meets and then exceeds customer service expectations. If the Company is unable to provide customers with quality customer support in a variety of areas, it could face customer dissatisfaction, decreased overall demand for its services, and loss of revenue. In addition, the Company's inability to meet customer service expectations may damage its reputation and could consequently limit its ability to retain existing customers and attract new customers, which could, in turn, adversely affect the Company's ability to generate revenue and negatively impact its operating results.

The Company's operations are dependent on the Company's IT systems

The Company relies on a reliable and efficient IT system to ensure a smooth flow and retention of information. The Company's financial, accounting, data processing, communications and other systems and facilities, and/or third party infrastructure on which the Company relies, may: (i) fail to operate properly or become disabled as a result of events that are wholly or partially beyond the Company's control; and (ii) be vulnerable to unauthorised access and data loss (from within the organisation or by third parties), computer viruses, malicious code, cyber threats that have a security impact, and the interception or misuse of information transmitted or received by the Company. The Company has put in place what it believes to be appropriate data security provisions, but breaches may still occur. A failure of the system or a breach could result in the Company being unable to operate its business, inefficient management processes, information processes stalling and a severe impact on operational predictability. As the Company expands, it must make substantial expenditures and efforts to develop and maintain its operational systems and infrastructure. An inability to realise such developments and maintain the systems could negatively impact the Company's ability to complete current work efficiently, and to scope and deliver tenders to appropriate specifications, which could result in customers seeking to terminate their relationship with the Company.

Key personnel

The Company depends on the services of its key technical and development, sales and marketing and management personnel and in particular on the services of Mark Popkiewicz and Dr Phil McLauchlan. The loss of the services of any of these persons could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel

can be intense, and the Company cannot give assurances that it will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. The Company's inability to attract and retain the necessary technical, sales, marketing and management personnel may adversely affect its future growth and profitability. In the UK a proportion of staff are EU nationals without British citizenship and at this stage it is impossible to say what impact the UK's stated decision to leave the European Union will have on the Company's ability to attract and retain staff. It may be necessary for the Company to increase the level of remuneration paid to existing or new employees to such a degree that its operating expenses could be materially increased.

Changes resulting from the General Data Protection Regulation and global data protection measures

The Company is subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, as well as relevant non-EEA data protection and privacy laws. Such laws govern the Company's ability to collect, use and transfer personal information. With effect from 25 May 2018, the Company will be subject to the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") which will place more onerous obligations on the Company in relation to data protection compliance. The Company will take steps to prepare for the implementation of GDPR but there is a risk that such measures may not be deemed sufficient in order to comply with the regulation or regulatory guidance.

Failure to comply with the GDPR or other data protection legislation in the countries where the Group operates may leave it open to criminal and civil sanctions.

Currency and foreign exchange

The Company's policy is not to enter into any currency hedging transactions.

As a consequence of the international nature of its business, the Company is exposed to the risks associated with changes in foreign currency exchange rates. Although the Company is domiciled in the United Kingdom, all current Group revenues are generated in currencies other than Sterling. As well as significant Sterling-denominated costs in the UK, the Company incurs significant costs in non-Sterling territories. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Company's accounts, which could have a material impact on the Company's financial position or result of operations, as shown in the Company's accounts going forward. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Company.

Dividends

The Company does not currently anticipate paying dividends in the short or medium term. Furthermore, there can be no guarantee that the Company will be able to pay dividends on the Ordinary Shares in the foreseeable future.

Financial resources

In the opinion of the Directors, having made due and careful enquiry, taking into account existing cash resources and the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements that is for at least the next twelve months from the date of Admission. The Company's future capital requirements will, however, depend on many factors, including its ability to maintain and expand its customer base, its sales, cash flow and control of costs. In the future, the Company may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing, if available, may require restrictions to be placed on the Company's future financing and operating activities. The Company may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Company or investor sentiment (whether towards the Company in particular or towards the market sector in which the Company operates) are unfavourable. The Company's inability to raise additional funding and/or variability as to the terms of such funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

Taxation

Any change in the Company's tax status or in taxation legislation in any jurisdiction in which the Company operates could affect the Company's financial condition and results and its ability (if any) to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Tax losses

New tax rules in the UK governing the utilisation of trade losses brought forward from prior periods by UK entities were substantively enacted on 31 October 2017. This change introduced a restriction on the amount of brought forward losses which can be utilised in these entities.

Profits earned by a UK group up to a value of £5 million can be offset fully within the same group by available losses. The level of offset by losses available to profits earned over £5 million is restricted to 50 per cent. of these remaining profits, subject to the availability of losses. These changes will impact on the amount of surplus losses that can be utilised in future periods, and the timing of when tax losses can be used. Further changes to the rules on the utilisation of tax losses could have a material impact on future tax payable by the Company and therefore its financial performance.

Any significant changes to the Company's ownership or nature or conduct of the Company's trade activities could also impact on the Company's ability to utilise carried forward tax losses in future periods.

EIS

Clearance has not been received from HMRC that the Company's business qualifies for EIS relief. Although existing qualifying investors, and qualifying investors who subscribe for new Ordinary Shares under an EIS arrangement, may obtain tax relief on their investments under EIS relief, neither the Company nor the Directors can provide any warranty or guarantee in this regard. Neither the Company nor the Directors give any warranties or undertakings that EIS relief will be available. Investors must take their own advice and rely on it.

If the Company undertakes any activities which are not qualifying activities for EIS purposes, operates through subsidiaries or associate company structures which do not qualify for EIS purposes, if the Company ceases to carry on the business outlined in this document or if the Company comes under the control of another company, during the three year period from the last issue of Ordinary Shares, this could prejudice the qualifying status of the Company under the EIS schemes.

Circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves EIS relief qualifying status. As a result, the Company cannot undertake to conduct its activities in a way designed to preserve any such relief or status claimed by any shareholder and the Company will not make good any loss suffered by any shareholder as a result of the loss of any such relief or status.

EIS relief qualifying status will not be available, or may be withdrawn, if the Company, or an individual investor, does not qualify and comply with the EIS regulations during the three year period from the last issue of Ordinary Shares.

Should the law regarding EIS relief change, then any reliefs or qualifying status previously obtained may be available or may be lost. The rules relating to EIS reliefs are complicated and any potential investor who may wish to claim EIS relief seeking to acquire a qualifying investment should consult their own financial adviser before investing.

Customer concentration and counterparty risk

The nature of the Company's business and current stage of its development are such that individual customers may comprise a significant proportion of its trade, revenues and receivables at any point in time. It is expected that an increasing part of the Company's sales will be achieved through a relatively small number of large strategic partners, thereby increasing the concentration of accounts receivable. There is a risk that parties with whom the Company trades or has other business relationships (including partners, customers, suppliers and other parties) may default on their contractual obligations or become insolvent. This may be as a result of general economic

conditions or factors specific to that company. In the event that a party with whom the Company trades defaults on its obligations or becomes insolvent, this could have an adverse impact on the revenues and profitability of the Company.

UK exit from the European Union

The UK held a referendum on its continued membership of the EU on 23 June 2016, the result of which was a majority vote for the UK to leave the EU. The UK government formally served notice of the UK's intention to leave the EU on 29 March 2017 in accordance with Article 50(2) of the Treaty on European Union, marking the start of the process of the UK's withdrawal from the EU ("Brexit"). Brexit could have a significant impact on the Company. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. In addition, the macroeconomic effect of Brexit on the Company's business and that of its customers is unknown. As such, it is not possible to state the impact that Brexit would have on the Company. Prolonged political and economic uncertainty and the potential negative economic trends that may follow could have a material adverse effect on the Company's business, financial position and/or results of operations.

Forward-looking statements

Certain statements contained in this document may constitute forward-looking statements. Forward-looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward-looking statements. The Company uses the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "will", "should", and any similar expressions to identify forward-looking statements. Any such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, save as required to comply with any legal or regulatory obligations, to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on behalf of the Company, are expressly qualified in their entirety by the cautionary statements contained throughout this document. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward looking statements

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

General

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment. This may substantially affect the market price of the Ordinary Shares irrespective of the progress the Company may make in terms of developing and expanding its products or its actual financial, trading or operational performance. These factors could include

the performance of the Company, purchases or sales of the Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the restrictions contained in certain lock-in and orderly marketing arrangements), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity in the Company's shares. The share price for publicly traded companies, particularly those at an early stage of development, such as the Company, can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

Investment in AIM traded securities

The Ordinary Shares will be traded on AIM rather than admitted to the Official List. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than the rules for companies admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity (as stated above), therefore making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Prospective investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and they could lose their entire investment in the Company.

Issue of additional Ordinary Shares

Although the Company's business plan does not involve the issue of Ordinary Shares other than in connection with the Placing, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that such an issue of Ordinary Shares is not effected on a pre-emptive basis, or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.

Substantial sales of Ordinary Shares

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph II (a) and (b) of Part V of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

Certain Shareholders will retain a significant interest in the Company following Admission and their interests may differ from those of the other Shareholders

The Concert Party together with related parties are retaining significant interests and, following Admission, will together hold approximately 48.6 per cent of the Ordinary Shares. As a result, these Shareholders will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. There is no guarantee that the interests of and the decisions made by these Shareholders will always coincide or be aligned with the opinion and interest of the other Shareholders.

Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the Company or in tax legislation or practise may have an adverse effect on the returns available on an investment in the Company.

General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Economic, political, judicial, administrative, taxation, environmental or other regulatory matters

In addition to the impact of the downturn of the world's economies, the Company may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters. The Company may not have been and may not be at all times in complete compliance with environmental laws, regulations and permits, and the nature of the Company's operations expose it to the risk of liabilities or claims with respect to environmental, regulatory and worker health and safety matters. If the Company violates or fails to comply with environmental laws, regulations and permits, it could be subject to penalties, fines, restrictions on operations or other sanctions, and the Company's operations could be interrupted or suspended.

No prior market for the Ordinary Shares

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.

There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

PART IV

A. ACCOUNTANTS' REPORT ON THE GROUP IFRS HISTORICAL FINANCIAL INFORMATION FOR THE PERIOD SINCE INCORPORATION TO 31 DECEMBER 2015 AND THE YEAR ENDED 31 DECEMBER 2016



The Directors
Mirriad Advertising PLC
96 Great Suffolk Street
London
SE1 0BE

Numis Securities Limited
The London Stock Exchange Building
10 Patemoster Square
London
EC4M 7LT

8 December 2017

Dear Sirs

Mirriad Advertising PLC

We report on the consolidated historical financial information of Mirriad Advertising PLC for the period since incorporation to 31 December 2015 and the year ended 31 December 2016 set out in section B of Part IV below (the “**Financial Information Table**”). The Financial Information Table has been prepared for inclusion in the admission document dated 8 December 2017 (the “**Admission Document**”) of Mirriad Advertising PLC (the “**Company**”) on the basis of the accounting policies set out in note 2 to the Financial Information Table. This report is required by item Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the “**AIM Rules**”) and is given for the purpose of complying with that Schedule and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Financial Information Table gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information Table gives, for the purposes of the Admission Document dated 8 December 2017, a true and fair view of the state of affairs of the Company as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

B. IFRS HISTORICAL FINANCIAL INFORMATION OF THE GROUP FOR THE PERIOD SINCE INCORPORATION TO 31 DECEMBER 2015 AND THE YEAR ENDED 31 DECEMBER 2016

Consolidated income statement

	<i>Notes</i>	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Revenue	5	343,531	710,866
Cost of Sales		(125,260)	(151,586)
Gross Profit		218,271	559,280
Administrative expenses	6	(3,623,024)	(7,994,910)
Other operating Income	6	172,717	141,225
Operating Loss		(3,232,036)	(7,294,405)
Finance Income	8	—	301
Finance Costs	8	(1,634)	—
Loss before income tax		(3,233,670)	(7,294,104)
Income tax credit	10	41,354	142,887
Loss for the period / year		(3,192,316)	(7,151,217)
Loss per ordinary share – basic	11	(21p)	(18p)

All activities are classified as continuing.

Consolidated statement of comprehensive income

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Loss for the financial period / year	(3,192,316)	(7,151,217)
Other comprehensive expense:		
Items that may be reclassified to profit or loss:		
Currency translation differences	(43,127)	(133,270)
Total comprehensive expense for the period / year	(3,235,443)	(7,284,487)

Consolidated balance sheet

	Note	As at 31 December 2015 £	As at 31 December 2016 £
Assets			
Non-current assets:			
Property, plant and equipment	12	140,744	49,017
Intangible assets	13	1,736,403	1,621,500
Trade and other receivables	14	—	28,634
		1,877,147	1,699,151
Current assets			
Trade and other receivables	14	592,953	716,734
Tax receivable		41,354	184,241
Cash and cash equivalents		5,824,952	10,347,394
		6,459,259	11,248,369
Total assets		8,336,406	12,947,520
Equity and Liabilities			
Equity attributable to owners of the parent			
Share capital	17	363	556
Share premium	17	10,901,926	22,401,586
Share based payment reserve	18	97,517	289,564
Retranslation reserve	19	(43,127)	(176,397)
Retained earnings deficit		(3,192,316)	(10,343,533)
Total equity		7,764,363	12,171,776
Current liabilities			
Trade and other payables	15	572,043	775,744
Total liabilities		572,043	775,744
Total equity and liabilities		8,336,406	12,947,520

Consolidated statement of changes in equity

Period ended 31 December 2015

	Note	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Retained earnings deficit £	Total Equity £
Balance as at 20 April 2015		—	—	—	—	—	—
Loss for the financial period		—	—	—	—	(3,192,316)	(3,192,316)
Other comprehensive income for the period							
Other comprehensive income	19	—	—	—	(43,127)	—	(43,127)
Total comprehensive income for the period		—	—	—	(43,127)	(3,192,316)	(3,235,443)
Shares issued as consideration for acquisition	26	22	655,891	—	—	—	655,913
Proceeds from shares issued	17	341	10,246,035	—	—	—	10,246,376
Share based payments recognised as expense	20	—	—	97,517	—	—	97,517
Total transactions with shareholders recognised directly in equity		363	10,901,926	97,517	—	—	10,999,806
Balance as at 31 December 2015		363	10,901,926	97,517	(43,127)	(3,192,316)	7,764,363

Year Ended 31 December 2016

	Note	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Retained earnings deficit £	Total Equity £
Balance as at 1 January 2016		363	10,901,926	97,517	(43,127)	(3,192,316)	7,764,363
Loss for the financial year		—	—	—	—	(7,151,217)	(7,151,217)
Other comprehensive income for the year							
Other comprehensive income	19	—	—	—	(133,270)	—	(133,270)
Total comprehensive income for the year		—	—	—	(133,270)	(7,151,217)	(7,284,487)
Shares issued in lieu of consideration	17	2	111,735	—	—	—	111,737
Proceeds from shares issued	17	191	11,387,925	—	—	—	11,388,116
Share based payments recognised as expense	20	—	—	192,047	—	—	192,047
Total transactions with shareholders recognised directly in equity		193	11,499,660	192,047	—	—	11,691,900
Balance as at 31 December 2016		556	22,401,586	289,564	(176,397)	(10,343,533)	12,171,776

Consolidated statement of cash flows

		<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Net cash from operating activities	21	(4,367,834)	(6,304,283)
Interest received		—	301
Interest paid		(1,634)	—
Net cash used in operating activities		(4,369,468)	(6,303,982)
Cash flow from investing activities			
Purchase of trade and assets (net of cash acquired)	26	16,022	—
Capitalisation of development costs		(63,426)	(520,607)
Purchase of tangible assets	12	(5,890)	(41,312)
Proceeds from disposal of tangible assets		1,338	227
Net cash used in investing activities		(51,956)	(561,692)
Cash flow from financing activities			
Proceeds from issue of ordinary share capital (net of costs of issue)	17	10,246,376	11,388,116
Net cash generated from financing activities		10,246,376	11,388,116
Net increase in cash and cash equivalents		5,824,952	4,522,442
Cash and cash equivalents at the beginning of the period / year		—	5,824,952
Effects of exchange rate on cash and cash equivalents		—	—
Cash and cash equivalents at the end of the period / year		5,824,952	10,347,394
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,824,952	10,347,394
Cash and cash equivalents		5,824,952	10,347,394

1. General Information

Mirriad Advertising Limited (“the company”) is a company limited by shares and domiciled in the United Kingdom. It was incorporated on 20 April 2015. The company and its’ subsidiaries (together “the Group”) is engaged in the provision of Native In Video Advertising (NIVA), which can also be more narrowly described as digital product placement. This comprises the development of the various, unique technologies required to provide such digital brand integration and the use of these technologies to provide embedded advertising services to broadcasters, advertisers and brand owners, and their agencies.

The address of its’ registered office is 6th Floor, One London Wall, London EC2Y 5EB.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this historical financial information are set out below. These policies have been consistently applied to all the periods presented.

2.1 Basis of preparation

This historical financial information presents the consolidated historical financial information of Mirriad Advertising Limited and its subsidiaries (the “Group”) for the period from incorporation on 20 April 2015 to 31 December 2015 and the year ended 31 December 2016, and is prepared for the purposes of admission to AIM, a market operated by the London Stock Exchange. This special purpose financial information has been prepared in accordance with the requirements of the AIM Rules and the Prospectus Directive regulation, in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and with those of the Companies Act 2006 as applicable to companies reporting under IFRS.

Mirriad Advertising Limited’s deemed transition date to IFRS is the date of incorporation being 20 April 2015. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. Historically the Group prepared its financial statements in accordance with FRS 102. As this is the Group’s first set of IFRS financial information, reconciliations to the previously presented financial information are set out in note 25.

The historical financial information has been prepared under the historical cost convention, as modified by the financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in note 4.

2.1.1 Going concern

The historical financial information has been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future.

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this Historical Financial Information. For these reasons they continue to adopt the going in concern basis in preparing the Group’s Historical Financial Information.

The cashflow projections are the sole responsibility of the directors based upon their present plans, expectations and intentions. In this context, the directors have prepared and considered cash flow projections for the Group for a period extending one year from the date of approval of this Historical Financial Information. Based on these cash flows, and having regard to the receipt of the net proceeds from the proposed admission of the ordinary shares of Mirriad Advertising Limited to AIM, the directors are satisfied that the Group are able to meet their liabilities as and when they fall due for the foreseeable future and for a minimum period of twelve months from the date of this Historical Financial Information.

2.1.2 Conversion to IFRS

This historical financial information, for the year ended 31 December 2016, are the first the Group has prepared in accordance with IFRS.

This note explains the principal adjustments made by the Group in restating its FRS102 statement of financial position and its previously published FRS102 financial statements as at and for the period ended 31 December 2015 and 31 December 2016.

The main changes under IFRS are noted below and the impact on the income statement and balance sheet can be seen in note 25.

IAS 20 Accounting for grants has been applied to government grant income received in 2016 and 2015. Previously grant income was recognised when quarterly grant claims were actually submitted and the claim amount known, but this has been amended to recognise the grant income on an accruals basis over the period the grant costs were incurred.

IAS 38 – Intangible Assets has been implemented which has led to capitalisation of staff costs related to development of computer software used by the business. Previously all such costs had been expensed through the income statement.

2.2 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2016 have had a material impact on the Group or parent company.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing this historical financial information. None of these is expected to have a significant effect on the historical financial information of the Group or parent company, as set out below:

- IFRS 15, “Revenue from contracts with customers” deals with revenue recognition and establishes principles for reporting useful information to users of historical financial information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 “Revenue” and IAS 11 “Construction contracts” and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU endorsement.

The impact of IFRS 15 has been reviewed by management against the criteria of the new standard for the two main client agreements generating £380,082 of revenue in 2016, with the remainder of current client agreements to be reviewed by the end of 2017, however the company believes that there are no major differences between contracts from a revenue recognition viewpoint. As a result of this exercise no changes are expected to be required to revenue recognised to date. Most of the Group’s client contracts do not specify revenue values but provide a framework within which individual work to produce campaigns and revenues are agreed and executed. The revenue on such campaigns is currently recognised on a monthly basis depending on campaign progress and ad units delivered to the client, as a proportion of the total campaign goals or agreed fee. This matches the process of the “assets” generated from the campaigns being transferred to the client, for which the group is entitled to revenue as the “assets” are produced. Where a fixed or minimum revenue value is specified in the contract, this is recognised over the duration of the agreement in line with the agreed performance criteria where these have been specified.

- IFRS 16, “Leases” addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of historical financial information about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on the balance sheet for lessees. The standard replaces IAS 17 “Leases” and related interpretations. The standard is effective for annual periods beginning on or after 2019 and earlier adoption is permitted, subject to EU endorsement and the entity adoption IFRS 15 “Revenue from contracts with customers” at the same time. The full impact of IFRS 16 has not yet been assessed, but the Group expects this to increase assets and lease liabilities.

- IFRS 9, “Financial instruments” addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different from that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement.

IFRS 9 requirements have been assessed by management and deemed to have no material impact on the group. There are no complex financial instruments, derivatives or hedges in place, and the only items held by the group covered by IFRS 9 are cash balances, trade related receivables and payables and accruals. Such items are recognised at their transaction value. Although there are differences in the basis of debtors provisioning this is not expected to have a material impact.

2.3 Business Combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group’s interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Negative goodwill arose from the acquisition of the trade and assets of Mirriad Limited in 2015, which was shut down due to a shareholder issue unrelated to commercial activities. The value of the assets acquired was greater than the effective consideration paid, making this a bargain purchase. The negative goodwill generated from the acquisition was fully written back to the income statement in 2015. Please see note 26 for more details.

2.4 Consolidation

The Group consolidated historical financial information include the historical financial information of the Company and all of its subsidiary undertakings made up to 31 December 2016, and the prior period from incorporation to 31 December 2015.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings.

The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

2.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the historical financial information of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ("the functional currency"). The consolidated historical financial information are presented in pound sterling, which is the functional and presentational currency of the Company and the presentation currency of the Group.

(ii) Transactions and balances

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the profit and loss account.

Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'Finance income or finance costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

2.6 Revenue recognition

Revenue represents the value (excluding value added tax) of fees for the services provided. All group revenue comes from the primary business activity of providing Native In Video Advertising (NIVA) services to broadcasters, advertisers, brand owners and their agencies. This involves the insertion by the Group of a product, signage or video into existing content. Revenue is recognised when the services have been delivered and provided to customers in accordance with contractual terms and conditions and there are no further significant obligations attached.

Most of the Group's client contracts do not specify revenue values but provide a framework, and normally a share of customer revenue, within which individual work to produce campaigns and revenues are agreed and executed. The exact revenue for each campaign is set out in the relevant insertion (purchase) order which shows the agreed number of advertising units or insertions to be delivered.

The revenue on such campaigns is currently recognised on a monthly basis depending on campaign progress and ad units delivered to the client, as a proportion of the total campaign goals or agreed fee. This matches the process of the "assets" generated from the campaigns being transferred to the client, for which the group is entitled to revenue as the "assets" are produced.

Where a fixed or minimum revenue value is specified in the contract, this is recognised over the duration of the agreement in line with the agreed performance criteria where these have been specified.

2.7 Adjusted EBITDA

Adjusted EBITDA as a performance measure for the business is calculated as net income with interest, taxes, depreciation, amortisation and negative goodwill write-off added back in.

2.8 Cost of Sales

Cost of sales comprises costs directly related to the Ad Delivery team in India who perform the integration work of the creative imagery (our embed) into the original content and quality control of the end result. All other staff costs are included in administrative costs below gross profit.

2.9 Other operating income

Other operating income relates to income received from government grants. Grant income represents amounts received from the government to assist with the funding of research and development activities carried out by the Group. Grant income is recognised at fair value in the profit and loss account at the point that there is reasonable assurance that the Group has complied with the conditions attaching to them and the grants will be received. Government grants are recognised in the income statement on a systematic basis over the periods in which the related costs towards which they are intended to compensate are recognised as expenses. Where grant related costs relate to staff expenses which are being capitalised as development costs the related grant income is not recognised in the income statement but is instead deducted in arriving at the intangible asset being recognised.

2.10 Interest income

Interest income is recognised using the effective interest rate method.

2.11 Current and deferred tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable or receivable in respect of the taxable profit or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax is the timing difference between the tax base and the carrying value in the balance sheet. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in historical financial information.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Research and development tax credits are recognised as an income tax credit in the income statement, with a corresponding asset recognised until the amounts are received. Such amounts are only recognised at the period / year end based on an assessment of relevant time spent by employees on research and development activities. Where government grants have been received against the same employee costs, such amounts are removed from the R&D tax credit calculations.

2.12 Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

2.13 Employee benefits

(i) Pension

The company operates a defined contribution pension scheme for UK employees. The contributions are recognised as employee benefit expense when they are due. Differences between contributions payable in the year, and contributions actually paid are shown as accruals in the Consolidated Statement of Financial Position. The company has no further payment obligation once the contributions have been made.

(ii) Annual bonus plan

The company operates an annual bonus plan for all employees. An expense is accrued over the related service period and recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.14 Share based payments

The Group operates a number of equity-settled, share-based compensation schemes to certain key employees. The fair value of share-based payments under such schemes is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding entry to equity. In arriving at this estimate the company takes into account non-market based factors and the expected attrition of employees over the period.

Fair value is determined using the Black-Scholes model and requires several assumptions and estimates as disclosed in note 20.

2.15 Property, plant and equipment

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

Depreciation and residual values

The fixed assets have been depreciated on a straight line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the company's business, and the rates are as follows:

- Fixtures, fittings and computer equipment – 3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

2.16 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;

- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the development employee costs and the fees of any contractors directly involved in the project.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

Intellectual Property and Patents

Patents and brand assets acquired were valued based on a relief from royalty approach, and are amortised over their useful economic life of 4 years. Brand assets are included in Other intangible assets.

Intangible assets are stated at cost or valuation less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Patents	4 years
Internally generated software development costs	3 years
Other Intangible assets	4 years

Amortisation is charged to administrative expenses in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Goodwill

Goodwill arises on the acquisition of subsidiaries or business combinations and represents the excess of the consideration transferred. On 19 May 2015 the company acquired the entire trade and assets of Mirriad Limited in a bargain purchase in exchange for shares in the company. Arising from this transaction was a negative goodwill balance of £451,274 which was fully written back in 2015.

2.17 Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. Trade receivables are stated net of provision for impairment.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less.

2.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

2.20 Share capital

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary and preference shares or options are shown in equity as a deduction, net of tax, from the proceeds, and taken against the share premium account.

2.21 Related party transactions

The Group discloses transactions with related parties which are not wholly owned with the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group historical financial information. It does not disclose transactions with members of the same Group that are wholly owned.

3 Financial risk management

3.1 Group financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, credit risk and liquidity risk. The Group's overall risk management program is focused on operating cost and cash management.

(a) Currency risk

The Group operates internationally and is exposed to foreign exchange risk from various currency exposures, primarily with respect to US dollar, Indian Rupees, Singapore dollars and Chinese Yuan. Foreign exchange risk arises from commercial transactions, and investments in foreign subsidiaries.

The Group has certain investments in foreign subsidiaries, whose net assets are exposed to foreign currency translation risk. There are currently no measures in place to manage currency exposure arising from the net assets of the Group's foreign operations. Such movements are recognised in the income statement and statement of comprehensive income. For the year ended December 2016 the revaluation loss on foreign subsidiary net assets recognised in the statement of comprehensive income was £133,270 (2015: £43,127).

Following the United Kingdom's vote to leave the European Union, and the related fall in Sterling against other currencies there has been mixed impact on the Group. As most of the Group revenues are non-GBP, this has generally been a positive impact but this has been offset by the fact that a large portion of Group costs are also non-GBP, leading to higher costs than expected on consolidation.

(b) Credit risk

In common with most businesses the Group extends credit to its customers. The credit risk on this activity is judged as low and the Group has not experienced significant bad debt. Most clients are large blue-chip organisations and further credit checks are not carried out before entering into commercial arrangements. Standard credit terms offered are 30 days but this can vary depending on the commercial agreement reached.

(c) Liquidity risk

Cash flow forecasting is performed centrally for the Group as a whole and the company ensures that the subsidiaries have sufficient cash to meet their local operational needs.

3.2 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

There is no debt in the Group and to date no dividends have been paid.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Intangible assets

As part of the acquisition of the trade and assets of Mirriad Limited in May 2015 a fair value review exercise was carried out on the assets and liabilities being transferred. The Group also capitalises internally generated software development costs as described below.

Estimate on original value of acquired intangible assets – As part of the fair value review exercise, patents and other intangible assets were capitalised as intangible assets based on their estimated fair values at the time. Following the fair value exercise it was noted that the effective consideration paid was lower than the assets being acquired so a negative goodwill balance was recognised and then fully written off in 2015.

Estimate on the useful life of acquired intangible assets – The intangible assets are being amortised over their expected useful life being 4 years. No residual value is expected at the end of the useful life for any of the intangible assets. The assessment of the useful life requires management judgement. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

Judgement on when capitalisation of internally generated software begins and ends – Internally generated software development costs have also been capitalised and are being amortised over 3 years. Such costs are only capitalised to the extent they relate to an identifiable asset that is expected to generate future economic benefits, can be reliably measured and relate to the development phase of the software creation. Costs related to the research phase or subsequent maintenance are not capitalised.

Estimate on the useful life of internally generated software – The intangible assets are being amortised over their expected useful life being 3 years. No residual value is expected at the end of the useful life for any of the intangible assets. The assessment of the useful life requires management judgement. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

(ii) Share-based payments

The Group records charges for share-based payments. For option based share-based payments management estimates certain factors used in the option pricing model, including volatility, vesting date of options and number of options likely to vest. If these estimates vary from actual occurrence, this will impact the value of the equity carried in reserves. Further details of the Group's estimation of share-based payments are disclosed in note 20.

5 Segment information

Management mainly considers the business from a geographic perspective since the same services are effectively being sold in every Group entity. Therefore regions considered for segmental reporting are where the Company and subsidiaries are based, namely the United Kingdom, USA, India, China & Singapore. The revenue is classified by where the sales were booked not by the geographic location of the customer. For this reporting purpose the Singapore and China entities are considered together.

The only revenue outside of the primary business activity relates to income received from grants, which is all recognised in other operating income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The steering committee is made up of the board of directors. There are no sales between segments. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement.

The Parent company is domiciled in the United Kingdom. The amount of revenue from external customers by location of the Group billing entity is shown in the tables below.

Revenue

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Turnover by geography		
United Kingdom	305,253	520,655
USA	9,719	50,575
India	28,559	74,727
China & Singapore	—	64,909
Total	343,531	710,866

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Turnover by category		
Rendering of services	343,531	710,866
Total	343,531	710,866

Revenues from external customers by country, based on the destination of the customer:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
China	36,920	357,496
India	28,711	74,727
Australia	43,188	64,622
USA	74,326	58,101
Korea	5,967	55,676
Germany	35,415	33,670
Italy	25,758	33,312
Indonesia	84,877	—
Other	8,369	33,262
Total	343,531	710,866

Revenues of £327,056 (2015: £36,920) are derived from a single external customer. These revenues are attributable to a customer based in China.

In 2015 revenues of £84,877 were derived from a single external customer based in Indonesia.

Adjusted EBITDA

The adjusted Earnings before interest, taxation, depreciation and amortization ('EBITDA') is broken down by segment as follows:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
United Kingdom	(1,848,666)	(3,880,044)
USA	(870,181)	(1,730,760)
India	(318,860)	(425,901)
China & Singapore	(190,068)	(528,035)
Total adjusted EBITDA	(3,227,775)	(6,564,740)
Depreciation	(112,640)	(133,039)
Amortisation	(342,895)	(596,626)
Write-back of negative goodwill	451,274	—
Finance Income net	(1,634)	301
Loss before tax	(3,233,670)	(7,294,104)

The assets acquired from Mirriad Limited in May 2015 were deemed to have a fair value in excess of the consideration paid, which led to the creation of a negative goodwill balance. This was fully written back in 2015.

Period ended 31 December 2015

	<i>Depreciation £</i>	<i>Amortisation £</i>	<i>Write-back of negative goodwill £</i>	<i>Finance income net £</i>
United Kingdom	(83,277)	(342,895)	451,274	(1,445)
USA	—	—	—	—
India	(29,363)	—	—	—
China & Singapore	—	—	—	(189)
Total	(112,640)	(342,895)	451,274	(1,634)

Period ended 31 December 2016

	<i>Depreciation £</i>	<i>Amortisation £</i>	<i>Write-back of negative goodwill £</i>	<i>Finance income net £</i>
United Kingdom	(48,747)	(596,626)	—	—
USA	(2,567)	—	—	—
India	(79,896)	—	—	301
China & Singapore	(1,829)	—	—	—
Total	(133,039)	(596,626)	—	301

Non-current assets

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
United Kingdom	1,785,975	1,648,696
USA	5,816	7,813
India	85,356	36,529
China & Singapore	—	6,112
Total	1,877,147	1,699,151

Total assets

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
United Kingdom	7,946,819	12,397,602
USA	142,689	187,911
India	224,181	259,492
China & Singapore	22,717	102,515
Total	8,336,406	12,947,520

The main asset balance in the UK is the cash balance which is used to fund the business and support the subsidiary entities.

Liabilities

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
United Kingdom	421,940	634,913
USA	79,409	67,024
India	56,795	40,543
China & Singapore	13,899	33,264
Total	572,043	775,744

6 Operating loss

The operating loss is stated after charging/(crediting):

		<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Employee benefits	7	1,963,655	4,117,661
Depreciation of property, plant and equipment	12	112,640	133,039
Amortisation of intangible assets	13	342,895	596,626
Write back of negative goodwill	13	(451,274)	—
Foreign exchange movements		(15,642)	(139,278)
Other general and administrative costs		1,796,010	3,438,448
Other operating income		(172,717)	(141,225)
Total cost of sales, administrative expenses and other operating income		3,575,567	8,005,271

Other operating income includes income received from grants. The Group has complied with all the conditions attached to these awards.

During the periods indicated the Group obtained the services from and paid the fees of the Group's auditors as detailed below:

	<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
	<i>£</i>	<i>£</i>
For the audit of the parent and consolidated financial statements	20,000	21,000
Audit related assurance services	12,500	—
Tax compliance	7,000	8,750
Tax advisory services	21,850	—
Total	61,350	29,750

Non-audit fees payable to PricewaterhouseCoopers LLP were £8,750 (2015: £41,350).

7 Employees and directors

7.1 Employee benefit expense

	<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
<i>Group</i>	<i>£</i>	<i>£</i>
Wages and salaries and other benefits	1,731,112	3,583,742
Social security costs	133,522	327,517
Share options granted to directors and employees	97,517	192,047
Pension costs	1,504	14,355
Total	1,963,655	4,117,661

Other pension costs relate to costs associated to the defined contribution plan.

7.2 Average number of people employed

<i>By activity</i>	<i>Period ended 31 December 2015 Number</i>	<i>Year ended 31 December 2016 Number</i>
Average monthly numbers of persons employed (including directors) by the company during the period / year was:		
Sales and Account Management	7	13
Ad Operations & Delivery	38	42
Research and development	9	15
Management & Administration	7	4
	61	74

7.3 Directors and key management personnel

The directors emoluments were as follows:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Salaries and other short-term employee benefits	152,202	285,860
Share-based payment charge	62,221	123,971
Total	214,423	409,831

There are no pension costs related to any of the directors in either period / year, and no share options were exercised by any directors. There were no other termination or long term benefits paid.

Highest paid director

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Total amount of emoluments	139,295	268,609

The highest paid director did not exercise any share options during the year (2015 period: nil).

The key management are considered to be the directors of the company and the Chief Financial Officer. The total remuneration for all directors and key management is £585,979 (2015: £379,129).

8 Finance income and costs

Finance income

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Interest on short term deposit	—	301
Total	—	301

Finance Costs

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Interest payable on overdrafts and bank loans	884	—
Interest payable on other loans	750	—
Total	1,634	—

9 Investments

During the year the Company had interests in the following investments, all of which are consolidated in the Group historical financial information. There are no capital contributions related to share-based payments. The subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

<i>Name of subsidiary or Group undertaking</i>	<i>Registered Address</i>	<i>Nature of business</i>	<i>Country of registration and operation</i>	<i>Proportion of nominal value of shares and voting rights held</i>
Mirriad Advertising Private Limited	Office No. 401 & 402 Palm Spring Centre, Link Road, above Croma, Malad (w), Mumbai-400 064	Provision of embedded advertising into video	India	100%
Mirriad Inc.	4th Floor 19 W24th Street, New York, NY 10001	Provision of embedded advertising into video	U.S.A.	100%
Mirriad (Singapore) Pte. Ltd.	8 Eu Tong Sen Street #16-87 The Central Singapore 059818	Provision of embedded advertising into video	Singapore	100%
Mirriad Software Science and Technology (Shanghai) Co. Ltd	Rm 1328, 2nd floor, No.148, Lane 999, Xin Er Road, Shanghai	Provision of embedded advertising into video	China	100%

The nominal value of issued shares for the companies is as follows:

- Mirriad Advertising Private Limited: 10,000 shares of 10 INR;
- Mirriad Inc. 1000 shares of \$0.001 USD;
- Mirriad (Singapore) Pte Ltd: 25,000 shares of \$1 SGD;
- Mirriad Software Science and Technology (Shanghai) Co. Ltd. registered capital is 600,000 CNY.

10 Income tax credit

Tax credit included in profit and loss

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Current tax		
Research and development tax credit for the period / year	(41,354)	(142,887)
Total current tax	(41,354)	(142,887)
Deferred tax		
Origination and reversal of timing differences	—	—
Total deferred tax	—	—
Tax on loss	(41,354)	(142,887)

UK corporation tax credit relates to R&D tax credits received by the Group.

Reconciliation of tax charge:

The tax assessed for the period is based on the standard rate of corporation tax in the UK 20%. The differences are outlined below:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Loss before tax	(3,233,670)	(7,294,104)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK 20% (2015: 20.25%)	(654,818)	(1,458,821)
Effects of:		
Expenses not deductible for tax purposes	50,216	708,968
Enhanced R&D deduction	(32,240)	(111,396)
R&D tax credit receivable	(41,354)	(142,887)
Surrender of losses for R&D tax credit	57,040	197,086
Deferred tax not recognised on unutilised losses	579,802	664,163
Total tax credit for the period / year	(41,354)	(142,887)

Deferred tax

The following tables represent deferred tax balances recognised in the Consolidated Statement of Financial Position, and the movements in both the deferred tax asset and the deferred tax liability.

There is a deferred tax liability of £346,910 (2015: £367,316) in respect of the intangible asset acquired on acquisition of the trade and assets of Mirriad Limited in 2015, which has been immediately offset against the acquired unrecognised deferred tax asset in relation to trading losses carried forward.

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Deferred tax assets	367,316	346,910
Deferred tax liabilities	(367,316)	(346,910)
Net balances	—	—

Movements on the deferred tax asset

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
At 20 April / 1 January	—	367,316
Acquisition during the period / year	408,129	—
Impact of rate changes	(40,813)	(20,406)
At 31 December	367,316	346,910

Movements on the deferred tax liability

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
At 20 April / 1 January	—	(367,316)
Acquisition during the period / year	(408,129)	—
Impact of rate changes	40,813	20,406
At 31 December	(367,316)	(346,910)

There is an unrecognised deferred tax asset of £3,276,040 (2015: £2,747,386) in relation to the trading losses carried forward, provisions and future exercisable shares.

Unrecognised deferred tax has been calculated at 17% reflecting the latest enacted rate. The unrecognised deferred tax asset would be recovered against future company taxable profits. In the opinion of the Directors, there is insufficient evidence that the asset will be recovered, as such the deferred tax asset has not been recognised in the historical financial information.

Factors that may affect future tax charges

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date as noted above.

11 Earnings per share

(a) Basic

Basic earnings per share calculated by dividing the loss for the period / year by the weighted average number of ordinary shares in issue during the year. Potential ordinary shares are not treated as dilutive as the Group is loss making and such shares would be anti-dilutive.

Group

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Loss attributable to owners of the parent £	(3,192,316)	(7,151,217)
Weighted average number of ordinary shares in issue Number	14,995,477	40,466,430

The loss per share for the year was 18p (2015: 21p).

No dividends were paid during the year (2015: £nil).

12 Property, plant and equipment

	<i>Fixtures, fittings and computer equipment</i> £	<i>Total</i> £
At 20 April 2015		
Cost or valuation	—	—
Accumulated depreciation	—	—
Net book amount	—	—
Period ended 31 December 2015		
Opening net book amount	—	—
Acquisitions	248,832	248,832
Additions	5,890	5,890
Disposals	(3,391)	(3,391)
Depreciation charge	(112,640)	(112,640)
Depreciation on disposals	2,053	2,053
Closing net book amount	140,744	140,744
At 31 December 2015		
Cost or valuation	251,331	251,331
Accumulated depreciation	(110,587)	(110,587)
Net book amount	140,744	140,744
Year ended 31 December 2016		
Opening net book amount	140,744	140,744
Additions	41,312	41,312
Disposals	(2,744)	(2,744)
Depreciation charge	(133,039)	(133,039)
Depreciation on disposals	2,744	2,744
Closing net book amount	49,017	49,017
At 31 December 2016		
Cost or valuation	289,899	289,899
Accumulated depreciation	(240,882)	(240,882)
Net book amount	49,017	49,017

As at 31 December 2016 there were no contractual commitments to purchase any further property, plant and equipment (2015: none).

13 Intangible assets

	<i>Patents</i> £	<i>Internally generated software development costs</i> £	<i>Other</i> £	<i>Total</i> £
Cost				
At 20 April 2015	—	—	—	—
Acquisitions	1,688,712	—	351,935	2,040,647
Additions	—	38,651	—	38,651
At 31 December 2015	1,688,712	38,651	351,935	2,079,298
Additions	—	481,723	—	481,723
At 31 December 2016	1,688,712	520,374	351,935	2,561,021
Accumulated amortisation				
At 20 April 2015	—	—	—	—
Amortisation charge	(281,452)	(2,787)	(58,656)	(342,895)
As at 31 December 2015	(281,452)	(2,787)	(58,656)	(342,895)
Amortisation charge	(422,178)	(86,464)	(87,984)	(596,626)
At 31 December 2016	(703,630)	(89,251)	(146,640)	(939,521)
Net book value				
Cost	1,688,712	38,651	351,935	2,079,298
Accumulated amortisation	(281,452)	(2,787)	(58,656)	(342,895)
As at 31 December 2015	1,407,260	35,864	293,279	1,736,403
Cost	1,688,712	520,374	351,935	2,561,021
Accumulated amortisation	(703,630)	(89,251)	(146,640)	(939,521)
As at 31 December 2016	985,082	431,123	205,295	1,621,500

On 19 May 2015 the company acquired the entire trade and assets of Mirriad Limited in exchange for shares in the company. Arising from this transaction was a negative goodwill balance of £451,274 which was fully written back in 2015 and not reflected in the numbers above.

Intangible assets comprises two patents acquired from Mirriad Limited in 2015 which are being amortised on a straight line basis over 4 years.

Other intangibles above includes the technology acquired from Mirriad Limited which has a carrying net book value of £23,211 (2015: £33,159) and the Mirriad brand acquired as part of the same transaction, which has a carrying value of £182,084 (2015: £260,120). These items are being amortised on a straight line basis over 4 years.

The internally generated software costs reflect staff time incurred on two main products for internal use which underpin the business processes. These development costs have been offset by grant income received for the same staff costs over the period. To the extent that work on the products reflects research or maintenance activities such related costs have not been capitalised. The capitalised software development costs are being amortised on a straight line basis over 3 years.

Despite the losses incurred, none of the intangible assets are deemed to be impaired. There was a trigger for impairment due to revenue being below forecast, which resulted in an impairment review being performed. This review demonstrated that the current fund raise process values the company at a much higher worth than the assets, and as these intangibles are an integral part of the company's operations, the company is comfortable that there is no impairment.

14 Trade and other receivables

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Trade receivables – net	102,175	128,370
Other debtors	368,882	230,160
Accrued income	13,786	195,107
Prepayments	108,110	191,731
	592,953	745,368
Less non-current portion: Other debtors	—	(28,634)
Current Portion	592,953	716,734

Trade receivables are stated after a provision for impairment of £29,120 (2015: £29,120). As of 31 December 2016, trade receivables of £121,254 (2015: £52,543) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing history of these trade receivables is as follows:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Up to 3 months	22,805	88,178
3 to 6 months	25,524	4,702
Over 6 months	4,214	28,374
Total	52,543	121,254

15 Creditors: amounts falling due within one year

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Trade creditors	132,732	185,320
Other taxation and social security	56,409	95,616
Accruals and deferred income	382,902	494,808
Total	572,043	775,744

Deferred income as at December 2016 was £33,036 (2015: £76,348).

16 Financial Instruments

The Group has the following financial instruments:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Financial assets at fair value through profit or loss	—	—
Financial assets that are debt instruments measured at amortised cost		
– Trade debtors	102,175	128,370
– Other debtors	368,879	230,159
Total	471,054	358,529
Financial assets that are equity instruments measured at cost less impairment	—	—
Financial liabilities measured at fair value through profit or loss		
– Derivative financial instruments	—	—
Financial liabilities measured at amortised cost		
– Trade creditors	132,732	185,321
– Other taxation and social security	56,409	95,616
Total	189,141	280,937

Derivative financial instruments

The Group has no interest rate derivative financial instruments.

Interest on bank loans and overdrafts are disclosed in note 8.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	<i>Period ended 31 December 2015 £</i>	<i>Year ended 31 December 2016 £</i>
Trade receivables		
Counterparties without external credit rating		
Group 1	10,720	27,022
Group 2	84,742	82,566
Group 3	6,713	18,782
Total unimpaired trade receivables	102,175	128,370
Cash at bank and short-term bank deposits		
A1	5,767,570	10,260,345
Baa1	—	10,627
Baa3	56,911	76,197
	5,824,481	10,347,169
Cash in hand	471	225
Total cash and cash equivalents	5,824,952	10,347,394

Group 1 – new customers (less than 6 months)

Group 2 – existing customers (more than 6 months) with no defaults in the past
 Group 3 – existing customers (more than 6 months) with some defaults in the past.

17 Share capital and premium

Share premium and nominal value of share capital

	<i>Ordinary Shares</i> £	<i>Preference Shares</i> £	<i>Total Share Capital</i> £	<i>Share Premium</i> £	<i>Total</i> £
At 20 April 2015	—	—	—	—	—
Share issued as consideration for acquisition	22	—	22	655,891	655,913
Proceeds from shares issued	341	—	341	10,246,035	10,246,376
At 31 December 2015	363	—	363	10,901,926	10,902,289
Proceeds from shares issued	87	104	191	11,387,925	11,388,116
Shares issued in lieu of consideration	—	2	2	111,735	111,737
At 31 December 2016	450	106	556	22,401,586	22,402,142

The proceeds from shares issued figures above are net of transaction costs of £50,909 (2015: £nil).

Ordinary shares of £0.00001 each

<i>Allotted and fully paid</i>	<i>Number</i>
At 1 January 2016	36,340,966
Issued during the period	8,633,580
At 31 December 2016	44,974,546

On 2 February 2016, 1,178,743 ordinary shares were issued for 30p per share as part of a £0.4m fund raise from new investors.

On 19 October 2016, 3,658,064 ordinary shares were issued for 62p per share as part of a £8.8m fund raise from new and existing investors.

On 16 December 2016, 3,796,773 ordinary shares were issued for 62p per share as part of a £2.4m fund raise from existing investors.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Preference shares of £0.00001 each

<i>Allotted and fully paid</i>	<i>Number</i>
At 1 January 2016	—
Issued during the year	10,605,063
At 31 December 2016	10,605,063

On 19th October 2016, 10,605,063 preference shares were issued for 62p per share as part of a £8.8m fund raise from new and existing investors. This number includes 180,220 preference shares issued in lieu of consideration for corporate finance advisor services provided (as per note 23).

The preference shares are considered as equity and do not provide an obligation to pay dividends to the shareholders. On a distribution of assets on a liquidation or a return of capital the

preference share holders have priority before other classes of shares to receive repayment of capital.

The share capital reserve consists of shares issued to the Group's investors.

The number of authorised shares is uncapped.

The share premium reserve consists of amounts paid in addition to the nominal value of the ordinary shares, less any direct costs and fees incurred during the investment.

The profit and loss account consists of accumulated losses.

18 Share based payments reserve

	£
At 20 April 2015	—
Share based payments recognised as expense	97,517
At 31 December 2015	97,517
At 1 January 2016	97,517
Share based payments recognised as expense	192,047
At 31 December	289,564

The cost of equity-settled share-based payments are recognised in the income statement, together with a corresponding increase in equity in this share-based payment reserve during the vesting period. Note 20 explains the employee options schemes in more detail.

19 Retranslation reserve

	£
At 20 April 2015	—
Translation loss for the period	(43,127)
At 31 December 2015	(43,127)
At 1 January 2016	(43,127)
Translation loss for the year	(133,270)
At 31 December	(176,397)

The other reserve contains the translation losses for the period / year which results from the revaluation of subsidiary opening net assets and reserves. Such translation movements are recorded in the statement of comprehensive income and this reserve.

20 Share based payments

Certain employees participate in the Key-employee share option scheme which provides additional remuneration for those employees who are key to the operations of the Group. In accordance with IFRS 2 "Share Based Payments" the cost of the equity-settled transactions is measured by reference to their fair value at the date at which they are granted. Fair value is determined using the Black-Scholes model. The cost of equity-settled transactions is recognised over the period until the award vests. No expense is recognised for awards that do not ultimately vest. At each reporting date, the cumulative expense recognised for equity-based transactions reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors at that date, will ultimately vest.

The cost of equity-settled share-based payments are recognised in the income statement, together with a corresponding increase in equity during the vesting period – please see note 18 for details of the share-based payment reserve. During the 12 months ended 31 December 2016, the Group recognised a share-based payment expense of £192,047 (2015: £97,517). The charge is included within Administrative expenses.

The Company grants share options under an Unapproved Share Option Scheme (the “Unapproved Scheme”) and under its tax efficient EMI Option Scheme (the “EMI Scheme”). Under the Unapproved Scheme, options are granted to non-UK based employees at an exercise price deemed to be market value of the shares. Under the EMI Scheme options are granted to UK-based employees at a fair value. In general, for options granted one third are exercisable on the first anniversary of the grant, a further third exercisable on the second anniversary of the grant and the remainder exercisable three years after the date of grant, and expire ten years after the date of grant. The only exception were options issued in 2015 which vested immediately. Employees are not entitled to dividends until the shares options are exercised. Vesting of the options is subject to continued employment within the Group.

In the year ended 31 December 2016, the Company granted zero (2015: 1,770,010) share options under the EMI Scheme and 1,965,894 (2015: 1,524,429) share options under the Unapproved Scheme. Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2016	
	<i>Weighted average exercise price in £ per share option</i>	<i>Share options number</i>	<i>Weighted average exercise price in £ per share option</i>	<i>Share options (Number)</i>
EMI Scheme				
Outstanding at 20 April / 1 January	—	—	0.30	1,548,971
Granted	0.30	1,770,010	—	—
Forfeited	0.30	(221,039)	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
At 31 December	0.30	1,548,971	0.30	1,548,971
Unapproved Scheme				
Outstanding at 20 April / 1 January	—	—	0.30	1,524,429
Granted	0.30	1,524,429	0.62	1,965,894
Forfeited	—	—	0.30	(407,131)
Exercised	—	—	—	—
Expired	—	—	—	—
At 31 December	0.30	1,524,429	0.50	3,083,192

Out of the 1,548,971 outstanding EMI Scheme options (2015: 1,548,971), 572,379 options (2015: 84,083) were exercisable. The weighted average exercise price of the outstanding share options under the EMI scheme at 31 December 2016 was £0.30 (2015: £0.30).

Out of the 3,083,192 outstanding Unapproved Scheme options (2015: 1,524,429), 398,033 options (2015: 38,400) were exercisable. The weighted average exercise price of the outstanding share options under the Unapproved scheme at 31 December 2016 was £0.50 (2015: £0.30).

No share options were exercised during the year (2015: none).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

<i>Grant-vest</i>	<i>Scheme</i>	<i>Expiry date</i>	<i>Exercise price in £ per share</i>	<i>Share options</i>	
				<i>2015</i>	<i>2016</i>
2015	EMI	20 Aug 2025	0.30	84,083	84,083
2015	Unapproved	20 Aug 2025	0.30	38,400	38,400
2015-18	EMI	20 Aug 2025	0.30	1,363,888	1,363,888
2015-18	Unapproved	20 Aug 2025	0.30	1,486,029	1,078,898
2015-18	EMI	16 Nov 2025	0.30	101,000	101,000
2016-19	Unapproved	16 Dec 2026	0.62	—	1,965,894
Total				3,073,400	4,632,163

The fair values were estimated using the Black-Scholes option-pricing model. The weighted average fair value of the options granted under the Unapproved Scheme during the period under this model was £0.31 per option (2015: £0.15). The significant inputs into the model were share price of £0.62 (2015: £0.30) at the grant date, exercise price as shown above, volatility of 48% (2015: 48%), expected option life of 6.5 years (2015: 6.5 years) and an annual risk-free interest rate of 2.0687% (2015: 2.3837%). For the EMI Scheme there were no options granted in 2016 so no fair value (2015: £0.15). The 2015 EMI Scheme significant inputs into the Black-Scholes model were share price at the grant date of £0.3 (2015), exercise price as shown above, volatility of 48% (2015), expected option life of 6.5 years (2015) and an annual risk-free interest rate of 2.3837% (2015).

21 Cash generated from operations

		<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Loss for the financial period / year		(3,192,316)	(7,151,217)
Adjustments for:			
Tax on loss on ordinary activities	10	(41,354)	(142,887)
Interest received	8	—	(301)
Interest paid	8	1,634	—
Operating loss:		(3,232,036)	(7,294,405)
Amortisation of intangible	13	342,895	596,626
Negative goodwill credited to income statement	13	(451,274)	—
Depreciation of tangible assets	12	112,640	133,039
Profit on disposal of tangible assets		—	(227)
Cost settled with equity		—	111,735
Share based payment charge	21	97,517	192,047
Foreign exchange variance		—	(133,270)
– (Increase)/ decrease in debtors		89,159	(132,427)
– Increase / (decrease) in creditors		(1,326,735)	222,599
Cash flow used in operating activities		(4,367,834)	(6,304,283)

22 Capital and other commitments

The Group had no capital and other commitments as at 31 December 2016, or the period ended 31 December 2015.

23 Related party transactions

The Group is currently owned by a number of investors the largest being IP Group which owns 33.6% of the share capital of the Company through its subsidiaries IP2IPO Portfolio L.P. (acting by

its general partner IP2IPO Portfolio (GP) Limited) and IP2IPO Nominees Limited. Accordingly there is no ultimate controlling party.

See note 7 for disclosure of the directors' remuneration and key management compensation.

During the year the company had the following significant related party transactions which were carried out at arms length, none of which were outstanding at the year end. No guarantees were given or received for any of these transactions:

IP Group

IP2IPO Limited – A company with the same parent company as IP2IPO Services Limited, one of the company directors, had the following transactions: (1) Purchase of 6,451,613 preference shares at £0.62 per share in £8.7m fund raise; (2). Charged Mirriad Advertising Limited £1,081 for Mark Reilly expenses – Mark Reilly is the nominated representative of IP2IPO Services Limited.

IP2IPO Nominees Limited – A company with the same parent company as IP2IPO Services Limited, one of the company directors purchases 67,742 ordinary shares at £0.62 per share in £8.7m fund raise.

Top Technology Ventures Limited – A company with the same parent company as IP2IPO Services Limited, one of the company directors charged Mirriad Advertising Limited for the following: (1) £111,736 for services as a corporate finance advisor. This fee was satisfied by the issue and allotment of 180,220 preference shares; (2) £60 for Chris Olds expenses. Chris Olds is an employee of Top Technology Ventures Limited.

Parkwalk Advisors Limited

The non-executive director of the company had the following transactions: (1) Purchase of 3,587,788 ordinary shares at £0.62 per share in £8.7m fund raise; (2) Purchase of 3,527,420 ordinary shares at £0.62 per share in £2.4m fund raise.

Other than the transactions disclosed above the company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed. Any such transactions have been eliminated on consolidation.

24 Lease commitments

The Group leases office space under a mixture of short-term licensed deals and longer-term operating leases. At the end of December 2016 there was only one long-term operating office lease in place for the Mirriad Advertising Private Limited premises in Mumbai, India. The lease runs until 31 May 2019. All other leases in place run for less than one year.

The future minimum lease payments under non-cancellable operating leases are as follows:

	<i>Period ended 31 December 2015</i>	<i>Year ended 31 December 2016</i>
<i>Group</i>	<i>£</i>	<i>£</i>
No later than 1 year	38,903	322,675
Later than 1 year and no later than 5 years	—	77,168
Total	38,903	399,843

25 IFRS Conversion

Group reconciliation of equity as at 31 December 2015

	Notes	FRS 102 £	IFRS Adjustments £	Other Adjustments £	IFRS at 31 December 2015 £
Assets					
Non-current assets					
Property, plant and equipment	D	59,240	—	81,504	140,744
Intangible assets	A	1,700,539	35,864	—	1,736,403
Current assets					
Trade and other receivables	B	586,777	76,650	(29,120)	634,307
Cash and cash equivalents		5,824,952	—	—	5,824,952
Total assets		8,171,508	112,514	52,384	8,336,406
Equity and Liabilities					
Equity attributable to owners of the parent					
Ordinary shares		363	—	—	363
Share premium		10,901,926	—	—	10,901,926
Share-based payment reserve	E	—	—	97,517	97,517
Retranslation reserve		(43,127)	—	—	(43,127)
Retained earnings					—
– At start of period					—
– Loss for the period attributable to the owners	C	(3,228,364)	112,514	(76,466)	(3,192,316)
Total equity		7,630,798	112,514	21,051	7,764,363
Liabilities					
Current liabilities					
Trade and other payables	F, G	540,710	—	31,333	572,043
Total liabilities		540,710	—	31,333	572,043
Total equity and liabilities		8,171,508	112,514	52,384	8,336,406

Group reconciliation of equity as at 31 December 2016

	Notes	FRS 102 £	IFRS Adjustments £	Other Adjustments £	IFRS at 31 December 2016 £
Assets					
Non-current assets					
Property, plant and equipment		49,017	—	—	49,017
Intangible assets	A	1,190,377	431,123	—	1,621,500
Trade and other receivables		—	—	28,634	28,634
Current assets					
Trade and other receivables	B	958,730	—	(57,755)	900,975
Cash and cash equivalents		10,347,394	—	—	10,347,394
Total assets		12,545,518	431,123	(29,121)	12,947,520
Equity and Liabilities					
Equity attributable to owners of the parent					
Ordinary shares		556	—	—	556
Share premium		22,401,586	—	—	22,401,586
Share-based payment reserve	E	—	—	289,564	289,564
Retranslation reserve		(176,397)	—	—	(176,397)
Retained earnings					
– At start of year		(3,228,364)	112,514	(76,466)	(3,192,316)
– Loss for the year attributable to the owners	C	(7,155,713)	318,609	(314,113)	(7,151,217)
Total equity		11,841,668	431,123	(101,015)	12,171,776
Liabilities					
Current liabilities					
Trade and other payables	F, G	703,850	—	71,894	775,744
Total liabilities		703,850	—	71,894	775,744
Total equity and liabilities		12,545,518	431,123	(29,121)	12,947,520

Group reconciliation of Income Statement for the period ended 31 December 2015

		<i>FRS 102</i>	<i>IFRS</i>	<i>Other</i>	<i>IFRS for the</i>
	<i>Notes</i>	<i>£</i>	<i>Adjustments</i>	<i>Adjustments</i>	<i>Period ended</i>
			<i>£</i>	<i>£</i>	<i>31 December</i>
					<i>2015</i>
					<i>£</i>
Revenue	H	514,141	—	(170,610)	343,531
Cost of Sales		(125,260)	—	—	(125,260)
Gross Profit		388,881	—	(170,610)	218,271
Administrative expenses	A, D, E, F, G	(3,656,965)	110,407	(76,466)	(3,623,024)
Other operating Income	B, H	—	2,107	170,610	172,717
Operating Loss		(3,268,084)	112,514	(76,466)	(3,232,036)
Finance Income		—	—	—	—
Finance Costs		(1,634)	—	—	(1,634)
Loss before income tax		(3,269,718)	112,514	(76,466)	(3,233,670)
Income tax credit		41,354	—	—	41,354
Loss for the period		(3,228,364)	112,514	(76,466)	(3,192,316)

Group reconciliation of Income Statement for the year ended 31 December 2016

		<i>FRS 102</i>	<i>IFRS</i>	<i>Other</i>	<i>IFRS for the</i>
	<i>Notes</i>	<i>£</i>	<i>Adjustments</i>	<i>Adjustments</i>	<i>year ended</i>
			<i>£</i>	<i>£</i>	<i>31 December</i>
					<i>2016</i>
					<i>£</i>
Revenue		967,625	—	(256,759)	710,866
Cost of Sales		(151,585)	—	—	(151,586)
Gross Profit		816,040	—	(256,759)	559,280
Administrative expenses	A, D, E, F, G	(8,114,941)	434,143	(314,113)	(7,994,910)
Other operating Income	B, H	—	(115,534)	256,759	141,225
Operating Loss		(7,298,901)	318,609	(314,113)	(7,294,405)
Finance Income		301	—	—	301
Finance Costs		—	—	—	—
Loss before income tax		(7,298,600)	318,609	(314,113)	(7,294,104)
Income tax credit		142,887	—	—	142,887
Loss for the year		(7,155,713)	318,609	(314,113)	(7,151,217)

Notes on IFRS adjustments

A – Capitalised development costs

FRS 102 allows an option to capitalise development costs provided specific criteria are met, but this option was not taken by the company, despite the criteria being met. Under IFRS an intangible asset arising from the development phase of an internal project must be recognised if certain criteria have been met.

IAS 38, Intangible Assets has now been implemented which has led to the recognition of staff costs related to the development of computer software products used by the business. The costs are recognised to the extent they relate to the development phase of the work being carried out. These development costs are being amortised over 3 years.

B – Grant Income

Previously grant income was recognised when quarterly grant claims were actually submitted and the claim amount known, but this has been amended to recognise the grant income on an accruals basis over the period the grant costs were incurred in line with IAS 20, Government Grants and disclosure of government assistance. The impact of this was to re-allocate grant income between 2015 and 2016 which gave rise to a corresponding accrued income balance at the end of 2015.

C – Loss for the period / year

This entry represents the retained earnings impact of all the adjustments posted.

Notes on other adjustments

D – Depreciation in India

This adjustment ensures depreciation is appropriately allocated between 2015 and 2016.

E – Share-based payments

IFRS 2 Share-based payments has now been applied to share options granted in 2015 and 2016 resulting in a charge in the income statement and a corresponding entry in equity. Previously share based payments had not been recognised as an expense and they were not deemed material to the FRS 102 financial statements.

F – Holiday Pay accrual

IAS 19 Employee Benefits. A holiday pay accrual has been made for annual leave accrued and not taken at the period / year end. No such accrual had previously been recognised in the FRS 102 financial statements.

G – National Insurance on share-based payments

A national insurance accrual has been recognised in relation to the share based payments issued to employees. This was previously not recognised and was not deemed material to the FRS 102 financial statements.

H – Operating Income

Grant income has reclassified from revenue to other operating income.

26 Business combinations

On 19 May 2015, the Group acquired the entire trade and assets of Mirriad Limited in exchange for shares in the company.

The intangible assets of £2,040,647 arising from the acquisition is attributable to the acquired intellectual property, patents and technology.

Management have estimated the useful life of the intangible assets to be 4 years.

Also arising from the transaction was a negative goodwill balance of £451,274, which was subsequently written off during the period.

The intangible assets arising from the acquisition have given rise to a deferred tax liability. A corresponding deferred tax asset was immediately recognised, utilising previously unutilised tax losses also acquired as part of the acquisition. The net impact of the deferred tax is therefore zero.

The following table summarises the consideration paid by the Group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration

	£
Equity instruments (2,186,376 ordinary shares)	655,913
Directly attributable costs	—
Total consideration	655,913

For cashflow disclosure purposes the amounts are disclosed as follows:

Cash consideration	—
Directly attributable costs	—
Less	
Cash and cash equivalents acquired	16,022
Net cash inflow	16,022

Recognised amounts of identifiable assets acquired and liabilities assumed

	<i>Note</i>	<i>Book values</i> £	<i>Adjustments</i> £	<i>Fair value</i> £
Property, plant and equipment		250,771	—	250,771
Intangible assets		—	2,040,647	2,040,647
Cash and cash equivalents		16,022	—	16,022
Trade and other receivables	(a)	607,569	(143,597)	463,972
Trade and other payables	(b)	(1,925,524)	261,299	(1,664,225)
Deferred tax asset		—	408,129	408,129
Deferred tax liability		—	(408,129)	(408,129)
Total identifiable net assets acquired		(1,051,162)	2,158,349	1,107,187
Total consideration				(655,913)
Negative goodwill implied				451,274

The adjustments arising on acquisition were in respect of the following:

- (a) An impairment charge in respect of the acquired receivable balances
- (b) An impairment charge in respect of the acquired payable balances

**C. CONDENSED AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 30 JUNE 2017**

Consolidated income statement

	<i>Notes</i>	<i>6 month period ended 30 June 2016 (Unaudited) £</i>	<i>6 month period ended 30 June 2017 (Unaudited) £</i>
Revenue	6	318,167	352,163
Cost of Sales		(99,360)	(96,820)
Gross Profit		218,807	255,343
Administrative expenses		(3,753,802)	(5,160,230)
Other income		98,334	—
Operating Loss		(3,436,661)	(4,904,887)
Finance Income		—	351
Loss before income tax		(3,436,661)	(4,904,536)
Income tax credit		52,901	117,249
Loss for the period		(3,383,760)	(4,787,287)
Loss per ordinary share – basic	7	(7p)	(9p)

Consolidated statement of comprehensive income

	<i>6 month period ended 30 June 2016 (unaudited) £</i>	<i>6 month period ended 30 June 2017 (unaudited) £</i>
Loss for the financial period	(3,383,760)	(4,787,287)
Other comprehensive expense:		
Items that may be reclassified to profit or loss		
Currency translation differences	(64,228)	(5,066)
Total comprehensive expense for the period	(3,447,988)	(4,792,353)

Consolidated balance sheet

	<i>Notes</i>	<i>As at 31 December 2016 (audited) £</i>	<i>As at 30 June 2017 (unaudited) £</i>
Assets			
Non-current assets:			
Property, plant and equipment		49,017	153,467
Intangible assets	8	1,621,500	1,612,654
Trade and other receivables	9	28,634	28,508
		1,699,151	1,794,629
Current assets			
Trade and other receivables	9	716,734	719,140
Tax receivable		184,241	260,243
Cash and cash equivalents		10,347,394	5,796,417
		11,248,369	6,775,800
Total assets		12,947,520	8,570,429
Equity and Liabilities			
Equity attributable to owners of the parent			
Ordinary shares		556	556
Share premium		22,401,586	22,391,536
Share based payment reserve		289,564	504,215
Retranslation reserve		(176,397)	(181,463)
Retained earnings deficit		(10,343,533)	(15,130,820)
Total equity		12,171,776	7,584,024
Current liabilities			
Trade and other payables	10	775,744	986,405
Total liabilities		775,744	986,405
Total equity and liabilities		12,947,520	8,570,429

Consolidated statement of changes in equity

6 month period ended 30 June 2016 (unaudited)

Note	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Retained earnings deficit £	Total Equity £
Balance as at 1 January 2016	363	10,901,926	97,517	(43,127)	(3,192,316)	7,764,363
Loss for the financial period	—	—	—	—	(3,383,760)	(3,383,760)
Other comprehensive income for the period	—	—	—	—	—	—
Other comprehensive expense	—	—	—	(64,228)	—	(64,228)
Total comprehensive income for the year	—	—	—	(64,228)	(3,383,760)	(3,447,988)
Proceeds from shares issued	12	353,611	—	—	—	353,623
Share based payments recognised as expense	—	—	103,528	—	—	103,528
Total transactions with shareholders recognised directly in equity	12	353,611	103,528	—	—	457,151
Balance as at 30 June 2016	375	11,255,537	201,045	(107,355)	(6,576,076)	4,773,526

6 month period ended 30 June 2017 (unaudited)

Note	Share Capital £	Share Premium £	Share based payment reserve £	Retranslation reserve £	Retained earnings deficit £	Total Equity £
Balance as at 1 January 2017	556	22,401,586	289,564	(176,397)	(10,343,533)	12,172,776
Loss for the financial period	—	—	—	—	(4,787,287)	(4,787,287)
Other comprehensive income for the period	—	—	—	—	—	—
Other comprehensive expense	—	—	—	(5,066)	—	(5,066)
Total comprehensive income for the year	—	—	—	(5,066)	(4,787,287)	(4,792,353)
Transaction costs on share capital issued	—	(10,050)	—	—	—	(10,050)
Proceeds from shares issued	—	—	—	—	—	—
Share based payments recognised as expense	—	—	214,651	—	—	214,651
Total transactions with shareholders recognised directly in equity	—	(10,050)	214,651	—	—	204,601
Balance as at 30 June 2017	556	22,391,536	504,215	(181,463)	(15,130,820)	7,584,024

Consolidated statement of cash flows

	Note	6 month period ended 30 June 2016 (unaudited) £	6 month period ended 30 June 2017 (unaudited) £
Net cash from operating activities	13	(2,766,679)	(4,173,022)
Interest received		—	351
Taxation received		—	41,359
Net cash used in operating activities		(2,766,679)	(4,131,312)
Cash flow from investing activities			
Capitalisation of development costs		(216,477)	(366,774)
Purchase of tangible assets		(21,194)	(55,464)
Proceeds from disposal of tangible assets		—	2,573
Net cash used in investing activities		(237,671)	(419,665)
Cash flow from financing activities			
Proceeds from issue of ordinary share capital (net of costs of issue)		353,623	—
Net cash generated from financing activities		353,623	—
Net decrease in cash and cash equivalents		(2,650,727)	(4,550,977)
Cash and cash equivalents at the beginning of the period		5,824,952	10,347,394
Cash and cash equivalents at the end of the period		3,174,225	5,796,417
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,174,225	5,796,417
Cash and cash equivalents		3,174,225	5,796,417

1 General Information

Mirriad Advertising Limited (“the company”) is a private limited company which was incorporated in the United Kingdom on 20 April 2015. The company and its’ subsidiaries (together “the Group”) is engaged in the provision of Native In Video Advertising (NIVA), which can also be more narrowly described as digital product placement. This comprises the development of the various, unique technologies required to provide such digital brand integration and the use of these technologies to provide embedded advertising services to broadcasters, advertisers and brand owners, and their agencies.

The address of its’ registered office is 6th Floor, One London Wall, London EC2Y 5EB.

Adjusted EBITDA as a performance measure for the business is calculated as net income with interest, taxes, depreciation, amortisation and negative goodwill write-off added back in.

2 Basis of accounting

This condensed and consolidated interim financial statements for the period ended 30 June 2017 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting (“IAS 34”). This condensed and consolidated interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the historical financial information in Section B of Part IV which have been prepared in accordance with IFRSs as adopted by the European Union.

The accounting policies adopted are consistent with those of the previous financial year, as presented in the historical financial information in Section B of Part IV, and the corresponding interim reporting period

The stand-alone financial statements of the Company are based on the statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRS.

3 Going Concern

The financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future.

After making appropriate enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this condensed interim financial statements. For these reasons they continue to adopt the going in concern basis in preparing the group’s condensed interim financial statements.

The cashflow projections are the sole responsibility of the directors based upon their present plans, expectations and intentions. In this context, the directors have prepared and considered cash flow projections for the group for a period extending one year from the date of approval of these condensed interim financial statements. Based on these cash flows, and having regard to the receipt of the net proceeds from the proposed admission of the ordinary shares of Mirriad Advertising Limited to AIM, the directors are satisfied that the group are able to meet their liabilities as and when they fall due for the foreseeable future and for a minimum period of twelve months from the date of these condensed interim financial statements.

4 Financial Instruments

The Group’s activities expose it to a variety of financial risks: market risk (including foreign currency risk); cash flow and credit risk. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the historical financial information, and they should be read in conjunction with the Group’s historical financial information for the year ended December 31, 2016.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Intangible assets

As part of the acquisition of the trade and assets of Mirriad Limited in May 2015 a fair value review exercise was carried out on the assets and liabilities being transferred. The Group also capitalises internally generated software development costs as described below.

Estimate on original value of acquired intangible assets – As part of the fair value review exercise, patents and other intangible assets were capitalised as intangible assets based on their estimated fair values at the time. Following the fair value exercise it was noted that the effective consideration paid was lower than the assets being acquired so a negative goodwill balance was recognised and then fully written off in 2015.

Estimate on the useful life of acquired intangible assets – The intangible assets are being amortised over their expected useful life being 4 years. No residual value is expected at the end of the useful life for any of the intangible assets. The assessment of the useful life requires management judgement. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

Judgement on when capitalisation of internally generated software begins and ends – Internally generated software development costs have also been capitalised and are being amortised over 3 years. Such costs are only capitalised to the extent they relate to an identifiable asset that is expected to generate future economic benefits, can be reliably measured and relate to the development phase of the software creation. Costs related to the research phase or subsequent maintenance are not capitalised.

Estimate on the useful life of internally generated software – The intangible assets are being amortised over their expected useful life being 3 years. No residual value is expected at the end of the useful life for any of the intangible assets. The assessment of the useful life requires management judgement. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

(ii) Share-based payments

The Group records charges for share-based payments. For option based share-based payments management estimates certain factors used in the option pricing model, including volatility, vesting date of options and number of options likely to vest. If these estimates vary from actual occurrence, this will impact the value of the equity carried in reserves. Further details of the Group's estimation of share-based payments are disclosed in note 12.

6 Segment information

Management mainly considers the business from a geographic perspective since the same services are effectively being sold in every Group entity. So the regions considered for segment reporting are where the Company and subsidiaries are based, namely the United Kingdom, USA, India, China & Singapore. The revenue is classified by where the sales were booked not by the geographic location of the customer. For this reporting purpose the Singapore and China entities are considered together.

The only revenue outside of the primary business activity relates to income received from grants, which is all recognised in other operating income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The steering committee is made up of the board of directors.

There are no sales between segments. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement.

The Parent company is domiciled in the United Kingdom. The amount of revenue from external customers by location of the billing entity is shown in the tables below.

Revenue

	<i>6 month period ended 30 June 2016 £</i>	<i>6 month period ended 30 June 2017 £</i>
Turnover by geography		
United Kingdom	301,482	74,986
USA	—	27,847
India	16,685	127,451
China & Singapore	—	121,879
Total	318,167	352,163

	<i>6 month period ended 30 June 2016 £</i>	<i>6 month period ended 30 June 2017 £</i>
Turnover by category		
Rendering of services	318,167	352,163
Total	318,167	352,163

Adjusted EBITDA

	<i>6 month period ended 30 June 2016 £</i>	<i>6 month period ended 30 June 2017 £</i>
United Kingdom	(1,587,261)	(2,576,313)
USA	(989,918)	(1,256,817)
India	(249,235)	(195,132)
China & Singapore	(261,795)	(478,065)
Total Adjusted EBITDA	(3,088,209)	(4,506,327)
Depreciation	(71,446)	(22,940)
Amortisation	(277,006)	(375,620)
Finance income	—	351
Loss before tax	(3,436,661)	(4,904,536)

6 month period ended 30 June 2016

	<i>Depreciation £</i>	<i>Amortisation £</i>	<i>Finance income net £</i>
United Kingdom	(32,698)	(277,006)	—
USA	(1,478)	—	—
India	(36,780)	—	—
China & Singapore	(490)	—	—
Total	(71,446)	(277,006)	—

6 month period ended 30 June 2017

	<i>Depreciation</i>	<i>Amortisation</i>	<i>Finance</i>
	£	£	<i>income net</i>
			£
United Kingdom	(8,795)	(375,620)	54
USA	—	—	—
India	(12,687)	—	297
China & Singapore	(1,458)	—	—
Total	(22,940)	(375,620)	351

Assets

	<i>6 month</i>	<i>6 month</i>
	<i>period ended</i>	<i>period ended</i>
	<i>30 June</i>	<i>30 June</i>
	<i>2016</i>	<i>2017</i>
	£	£
United Kingdom	5,240,808	7,651,453
USA	245,783	390,483
India	211,952	373,228
China & Singapore	21,219	155,265
Total	5,719,762	8,570,429

Liabilities

	<i>6 month</i>	<i>6 month</i>
	<i>period ended</i>	<i>period ended</i>
	<i>30 June</i>	<i>30 June</i>
	<i>2016</i>	<i>2017</i>
	£	£
United Kingdom	743,414	566,970
USA	117,876	235,276
India	67,695	104,186
China & Singapore	17,252	79,973
Total	946,237	986,405

7 Loss per share calculation

The basic loss per share of 9p (June 20, 2016: 7p) for the six months ended June 30 2017 is calculated by dividing the loss for the six months ended June 30 2017 by the weighted average number of shares in issue of 55,579,609 (June 30, 2016: 45,496,037). There was no dividend payment made during the period (June 30, 2016: nil).

8 Intangible assets

	<i>Patents</i>	<i>Internally generated software development costs</i>	<i>Other</i>	<i>Total</i>
	£	£	£	£
Six months ended 30 June 2016				
Opening net book amount	1,407,260	35,864	293,279	1,736,403
Additions	—	182,689	—	182,689
Amortisation	(211,089)	(21,925)	(43,992)	(277,006)
Closing net book amount as at 30 June 2016	1,196,171	196,628	249,287	1,642,086
Six months ended 30 June 2017				
Opening net book amount	985,082	431,123	205,295	1,621,500
Additions	—	366,774	—	366,774
Amortisation	(211,089)	(120,539)	(43,992)	(375,620)
Closing net book amount as at 30 June 2017	773,993	677,358	161,303	1,612,654

9 Trade and other receivables

	<i>31 December 2016</i>	<i>30 June 2017</i>
	£	£
Trade receivables – net	128,370	217,744
Other debtors	230,160	224,609
Accrued income	195,107	121,790
Prepayments	191,731	183,505
	745,368	747,648
Less non-current portion: Other debtors	(28,634)	(28,508)
Current Portion	716,734	719,140

10 Creditors: amounts falling due within one year

	<i>31 December 2016</i>	<i>30 June 2017</i>
	£	£
Trade creditors	185,320	218,910
Other taxation and social security	95,616	99,861
Accruals and deferred income	494,808	667,634
	775,744	986,405

11 Issuance of share capital

No shares were issued during the period.

12 Share based payments

During the 6 months ended 30 June 2017, the Company granted 1,344,219 (June 2016: zero) share options under the EMI Scheme and 351,541 (June 2016: zero) share options under the Unapproved Scheme. Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	June 2016		June 2017	
	Weighted average exercise price in £ per share option	Number of Options	Weighted average exercise price in £ per share option	Number of Options
EMI Scheme				
At 1 January	0.30	1,548,971	0.30	1,548,971
Granted	—	—	0.19	1,344,219
Forfeited	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
At 30 June	0.30	1,548,971	0.25	2,893,190
Unapproved Scheme				
At 1 January	0.30	1,524,429	0.30	3,083,192
Granted	—	—	0.62	351,541
Forfeited	0.30	(407,131)	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
At 30 June	0.30	1,117,298	0.52	3,434,733

Out of the 2,893,190 outstanding EMI Scheme options (June 2016: 1,548,971), 572,379 options (June 2016: 84,083) were exercisable.

Out of the 3,434,733 outstanding Unapproved Scheme options (June 2016: 1,117,298), 398,033 options (June 2016: 38,400) were exercisable.

Share options outstanding at the end of the 6 month periods have the following expiry date and exercise prices:

Grant-vest	Scheme	Expiry date	Exercise price in £ per share options	Share options	
				June 2016	June 2017
2015	EMI	20 Aug 2025	0.30	84,083	84,083
2015	Unapproved	20 Aug 2025	0.30	38,400	38,400
2015-18	EMI	20 Aug 2025	0.30	1,363,888	1,363,888
2015-18	Unapproved	20 Aug 2025	0.30	1,078,898	1,078,898
2015-18	EMI	16 Nov 2025	0.30	101,000	101,000
2016-19	Unapproved	16 Dec 2026	0.62	—	1,965,894
2017-20	Unapproved	19 June 2027	0.62	—	255,666
2017-20	Unapproved	26 June 2027	0.62	—	95,875
2017-20	EMI	27 June 2027	0.19	—	1,344,219
Total				2,666,269	6,327,923

The fair values were estimated using the Black-Scholes option-pricing model. The weighted average fair value of the options granted under the Unapproved Scheme during the period under this model was £0.41 per option (June 2016: £0.02). The significant inputs into the model were share price of £0.62 (June 2016: £0.30) at the grant date, exercise price as shown above, volatility of 107% (June 2016: 0%), expected option life of 3 years (June 2016: 3 years) and an annual risk-free interest rate of 1.6748% (June 2016: 2.5473%). For the EMI Scheme options granted in 2017 the significant inputs into the Black-Scholes model were share price at the grant date of £0.19 (June 2016: £0.30), exercise price as shown above, volatility of 107% (June 2016: 0%), expected

option life of 3 years (June 2016: 3 years) and an annual risk-free interest rate of 1.7284% (June 2016: 2.3837%).

13 Cash generated from operations

	6 month period ended 30 June 2016	6 month period ended 30 June 2017
Note	£	£
Loss for the financial year	(3,383,760)	(4,787,287)
Adjustments for:		
Tax on loss on ordinary activities	(52,901)	(117,249)
Interest received	—	(351)
Operating loss:	(3,436,661)	(4,904,887)
Amortisation of intangible	277,006	375,620
Depreciation of tangible assets	71,446	25,513
Profit on disposal of tangible assets	—	(2,573)
Share based payment charge	103,528	214,651
Foreign exchange variance	(64,228)	(5,066)
– Increase in debtors	(82,299)	(78,411)
– Increase in creditors	364,529	202,131
Cash flow used in operating activities	(2,766,679)	(4,173,022)

14 Related party transactions

The Group is owned by a number of investors the largest being IP2IPO Portfolio (GP) Limited (as general partner for IP2IPO Portfolio L.P) who owns approximately 39% of the share capital of the Company. IP2IPO Portfolio (GP) Limited is owned by IP Group Plc. The shares held by IP2IPO Portfolio (GP) Limited were transferred from IP2IPO Limited during the period to 30 June 2017.

In January 2017 IP Group Plc completed the acquisition of Parkwalk Advisors Limited, an investor who owns 26% of the share capital of the Company. By virtue of their ownership of IP2IPO Portfolio (GP) Limited and Parkwalk Advisors Limited and their combined shareholding in the Company, IP Group Plc is the ultimate controlling party.

During the period there were no related party transactions.

15 Provisions

There were no provisions during the period (30 June 2016: nil).

16 Contingent liabilities

There were no contingent liabilities as at 30 June 2017 (30 June 2016: nil)

17 Subsequent events

On 24 July 2017, 100,000 ordinary shares and 2,203,457 preference shares were issued for 62p per share as part of a £1.4m fund raise from new and existing investors.

PART V

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered as a private limited company in England and Wales under the Act on 20 April 2015 with the name Broadwall Acquisitions Limited and with registered number 09550311. On 3 June 2015 the Company changed its name to Mirriad Advertising Limited. On 22 November 2017, the Company was re-registered as a public limited company and changed its name to Mirriad Advertising plc.
- 1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 1.3 The registered office of the Company is at 6th Floor One London Wall, London, England, EC2Y 5EB and the head office is 96 Great Suffolk Street, London, England, SE1 0BE. The telephone number of the Company is +44 (0) 207 884 2530 and its website is www.mirriadplc.com.

2. Group reorganisation

- 2.1 In connection with Admission, the Company undertook a corporate reorganisation. The corporate reorganisation steps comprised:
- (a) a reduction of capital by the Company by reducing its share premium account from £23,751,285 to £50,000, in order to create additional distributable reserves in the Company ("Step 1");
 - (b) the capitalisation of the amount of £49,898.40 being part of the share premium account to pay up 1,995,936 Deferred Shares and the issuance of such Deferred Shares to existing shareholders on the basis of one new Deferred Share for every 29 Existing Ordinary Shares and one new Deferred Share for every 29 Preferred Shares and the adoption of interim articles of association incorporating the rights attaching to the Deferred Shares ("Step 2");
 - (c) the exercise of EMI Options over up to 3,055,072 Ordinary Shares immediately prior to the Placing;
 - (d) the re-registration of the Company as a public limited company and the adoption of interim articles of association making appropriate changes for a public limited company ("Step 3"); and
 - (e) upon Admission:
 - (i) the termination of the existing shareholders' agreement between certain of the existing investors in the Company, the Company and its managers dated 19 October 2016;
 - (ii) the automatic conversion of the Preferred Shares into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share held; and
 - (iii) the adoption of the Articles as the new articles of association of the Company in a form customary for a listed company ("Step 4").

3. Share capital and loan capital

- 3.1 As at 20 April 2015, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	1	£0.00001

3.2 On 19 May 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	1,521,489	£15.21489

3.3 On 20 May 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	11,398,219	£113.98219

3.4 On 21 May 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	1,050,000	£10.50

3.5 On 26 June 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	3,333,333	£33.33333

3.6 On 1 July 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	216,667	£2.16667

3.7 On 7 December 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	10,456,042	£104.56042

3.8 On 10 December 2015, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	8,365,215	£83.65215

3.9 On 2 February 2016, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	1,178,743	£11.78743

3.10 On 19 October 2016, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	3,658,064	£36.58064
Preferred shares of £0.00001 each	10,605,063	£106.05063

3.11 On 16 December 2016, the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	3,796,773	£37.96773

3.12 On 24 July 2017 the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	100,000	£1
Preferred shares of £0.00001 each	2,203,458	£22.03458

3.13 As at 31 December 2016, being the latest date to which audited accounts for the Company have been prepared, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	44,974,546	£449.75
Preferred Shares of £0.00001	10,605,063	£106.05

3.14 On 21 November 2017 the following shares in the capital of the Company were issued:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Deferred Shares of £0.025 each	1,995,936	£49,898.40

3.15 On 7 December 2017, the following shares in the capital of the Company were issued on the exercise of the EMI Options:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary Shares of £0.00001 each	3,055,072	£30.55

3.16 The issued share capital of the Company, all of which is fully paid up, as at the date of publication of this document is as follows:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	48,129,618	£481.30
Preferred Shares of £0.00001 each	12,808,521	£128.09
Deferred Shares of £0.025 each	1,995,936	£49,898.40

3.17 Immediately prior to Admission, 12,808,521 Preferred Shares of £0.00001 each will convert into 12,808,521 Ordinary Shares of £0.00001 each.

3.18 The issued share capital of the Company, all of which will be fully paid up on or before Admission, as it is expected to be immediately following Admission is as follows:

<i>Class of share</i>	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares of £0.00001 each	101,896,911	£1,018.97
Deferred Shares of £0.025 each	1,995,936	£49,898.40

- 3.19 Details of the total number of options (all granted for nil consideration) under the Share Option Schemes outstanding as at 7 November 2017 (being the latest practicable date prior to the publication of this document) are as follows:

Unapproved Scheme (non-executive directors only)

<i>Date of grant</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
20 August 2015	610,696	30	20/08/18 – 20/08/25
16 December 2016	987,218	62	16/12/19 – 16/12/26
Total	1,597,914		

EMI Scheme (EMI Options and Unapproved Options)

EMI Options

<i>Date of grant</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
20 August 2015	1,194,395	30	20/08/18 – 20/08/25
29 October 2015	101,000	30	29/10/18 – 29/10/25
27 June 2017	1,344,220	19	27/06/20 – 27/06/27
11 September 2017	159,791	19	11/09/20 – 11/09/27
16 October 2017	255,666	44	16/10/20 – 16/10/27
Total	3,055,072		

Unapproved Options

<i>Date of grant</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
20 August 2015	619,996	30	20/08/18 – 20/08/25
8 October 2015	101,783	30	08/10/18 – 08/10/25
16 December 2016	978,677	62	16/12/19 – 16/12/26
19 June 2017	255,666	62	19/06/20 – 19/06/27
26 June 2017	95,875	62	26/06/20 – 26/06/27
11 October 2017	1,469,753	62	11/10/20 – 11/10/27
Total	3,521,750		

- 3.20 Pursuant to an ordinary resolution of the Company dated 22 November 2017, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to allot shares and grant rights to subscribe for or to convert any security into shares (such shares and rights to subscribe for or to convert any security into shares being “**relevant securities**”) up to an aggregate nominal amount of £1,155.17 such authority to be limited to the allotment of:

- (a) Ordinary Shares of £0.00001 each up to an aggregate nominal amount of £700.00 in connection with the Placing;
- (b) relevant securities (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £455.17 or (if smaller) an aggregate nominal amount equal to one third of the nominal value of the Ordinary Shares of £0.00001 each in the issued share capital of the Company in issue as at 6 p.m. (London time) on the date which is three business days following Admission,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 18 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of relevant securities after the expiry of such period.

3.21 Pursuant to a special resolution of the Company dated 22 November 2017, the Directors are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 3.20 above, and/or by way of a sale of treasury shares by virtue of section 573 of the Act, as if the provisions of section 561 of the Act did not apply to such allotment provided that this power is limited to:

- (a) the allotment of Ordinary Shares of £0.00001 each in the capital of the Company up to an aggregate nominal amount of £700.00 in connection with the Placing;
- (b) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities:
 - (i) in favour of holders of Ordinary Shares, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of Ordinary Shares; and
 - (ii) to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (c) the allotment, otherwise than pursuant to sub-paragraphs (a) and (b) above, of equity securities up to an aggregate nominal value equal to £136.55 or (if smaller) an aggregate nominal amount equal to 10 per cent. of the nominal value of the Ordinary Shares of £0.00001 each in issue as at 6 p.m. (London time) on the date which is three business days following Admission,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 18 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

3.22 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash and apply to the authorised but unissued equity share capital of the Company. These provisions have been disapplied to the extent referred to in paragraph 3.21 above.

3.23 Save as set out in this paragraph 3:

- (a) no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
- (c) there are no outstanding convertible securities issued by the Company; and
- (d) no share capital or loan capital of the Company or any of its subsidiaries (other than intra-group issues by wholly-owned subsidiaries) is in issue and no such issue is proposed.

3.24 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.

3.25 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

- 3.26 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by 2 January 2018. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00BF52QY14.
- 3.27 The Placing Price of 62 pence per Ordinary Share represents a premium of 61.999 pence over the nominal value of £0.00001 per Ordinary Share and is payable in full on Admission under the terms of the Placing.

4. Subsidiary undertakings

The Company is the holding company of the Group.

The Company currently has the following significant subsidiaries:

Name	Registration number	Status	Place of incorporation	Percentage of voting share capital held
Mirriad Brasil Tecnologias Para Mídia Ltda. (Brazil)	27.385.955/0001-60	active	Brazil	99.9% (0.1% held by Mirriad Inc)
Mirriad Software Science and Technology (Shanghai) Co. Ltd. (China)	91310000MA1GKK9718	active	People's Democratic Republic of China	100%
Mirriad Advertising Private Limited (India)	U74300MH2008PTC180793	active	India	100%
Mirriad (Singapore) Pte. Ltd. (Singapore)	201418065W	active	Singapore	100%
Mirriad Inc (US)	4369998	active	Delaware	100%

5. Summary of the Articles of Association

The Articles, which were adopted conditional on Admission by a special resolution of the Company passed on 22 November 2017, contain, *inter alia*, provisions to the following effect:

(a) *Objects*

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles.

The Articles do not contain any restrictions on the objects of the Company.

(b) *Rights attaching to Ordinary Shares*

(i) *Voting rights*

Subject to the provisions of the Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A member of the Company shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid.

(ii) *Dividends*

Subject to the provisions of the Act and of the Articles and to any special rights attaching to any shares, the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company. However, no such dividend shall exceed the amount recommended by the board. Interim dividends may be paid provided that they appear to the board to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

The Company in general meeting may, on the recommendation of the board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid shares or debentures of any other company.

The board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid in whole or in part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

Any dividend unclaimed for a period of twelve years after having become due for payment shall (if the board so resolves) be forfeited and shall revert to the Company.

(iii) *Return of capital*

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company (and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

(c) *Rights attaching to Deferred Shares*

(i) *Voting rights*

The holders of the Deferred Shares shall not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting.

(ii) *Dividends*

The Deferred Shares shall not entitle their holders to receive any dividend or other distribution.

(iii) *Return of capital*

The Deferred Shares shall on a return of assets in a winding up or otherwise entitle the holder only to the repayment of the amounts paid up on such shares after repayment of £10 million per Ordinary Share.

(iv) *Purchase by the Company*

The holders of any Deferred Shares shall be deemed immediately to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of the Deferred Shares which so arise a transfer of such Deferred Shares (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or the

Company to purchase the same (in accordance with the provisions of the Act) in any such case in consideration for not more than one penny per holder of such Deferred Shares (and the Company or such other person as the Company shall appoint shall be entitled to retain and hold such consideration on trust for the holder(s) of such Deferred Shares until payment of the consideration is requested by the holder(s) or the Company elects to pay out such consideration to the holder(s), whichever is the earlier) without obtaining the sanction of the holder or holders of such Deferred Shares and pending such transfer and/or purchase to retain the certificate(s) (to the extent issued) for such Deferred Shares and no such action shall constitute a modification or abrogation of the rights or privileges attaching to the Deferred Shares.

(v) *Further shares*

Subject to section 630 of the Act, the special rights conferred by the Deferred Shares shall not be deemed to be modified or abrogated in any circumstances, including but not limited to the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares.

(d) *Transfer of shares*

Save in the case of shares which have become participating securities for the purposes of the CREST Regulations, title to which may be transferred by means of a relevant system such as CREST without a written instrument, all transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the board. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

- (i) in respect of a share which is fully paid up;
- (ii) in respect of a share on which the Company has no lien;
- (iii) in respect of only one class of shares in the Company;
- (iv) in favour of a single transferee or not more than four joint transferees;
- (v) duly stamped (if so required); and
- (vi) delivered for registration to the registered office of the Company (or such other place as the board may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the board may not exercise such discretion in such a way as to prevent dealings in such shares in the Company from taking place on an open and proper basis.

The board shall register a transfer of title to any uncertificated share, except the board may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share which is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations.

If the board refuses to register a transfer of a share it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

(e) *Disclosure of interests in shares*

The provisions of rule 5 of the DTRs govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. *Inter alia*, this requires a person who is interested in three per cent or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent or more). In addition, the City Code contains further provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the “**default shares**”) to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the board may, at least 14 days after service of the notice, serve on the holder of such default shares a notice (“**disenfranchisement notice**”) pursuant to which the following sanctions shall apply:

- (i) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent in nominal value of their class:
 - (A) any dividend or other money payable in respect of the default shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares in the Company instead of that dividend; and
 - (B) subject, in the case of uncertificated shares in the Company to the CREST Regulations, no transfer, other than an approved transfer, of any shares in the Company held by the member shall be registered unless:
 - the member is not himself in default as regards supplying the information required; and
 - the member proves to the satisfaction of the board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

(f) *Purchase of own shares*

Subject to the provisions of the Act and to any rights for the time being attached to any shares in the Company, the Company may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

(g) *Variation of rights*

Subject to the provisions of the Act and of the Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as provided in the Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

The quorum for such separate general meeting of the holders of the shares of the class shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

(h) *General meetings*

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the board may determine. The board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the board on the requisition of members in accordance with the Act.

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days.

The accidental omission to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

No business shall be transacted at any general meeting unless the requisite quorum is present but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(i) *Board authorisation of conflicts*

Subject to and in accordance with the Act and the provisions of the Articles, the board may authorise any matter or situation in which a director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

- (i) any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting either the conflicted director or any other interested director;
- (ii) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted director and without counting the votes of any other interested director; and
- (iii) the conflicted director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

(j) *Directors' interests*

Provided permitted by any relevant legislation and provided that he has disclosed to the board the nature and extent of his interest in accordance with the Articles, a director, notwithstanding his office:

- (i) may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;

- (iii) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - (iv) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.
- (k) *Directors' ability to vote and count for quorum*

A director shall not vote on or be counted in the quorum in relation to, any resolution of the board or any committee of the board concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
- (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing 1 per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors;
- (vii) the funding of expenditure by one or more directors in defending proceedings against him or them or doing anything to enable such directors to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him or them than the provisions of the Articles and is permitted pursuant to the provisions of the relevant legislation; or
- (viii) the giving of an indemnity or indemnities in favour of one or more directors which is/are consistent with, or no more beneficial to him or them than any such indemnities provided pursuant to the Articles (and provided such indemnities are permitted pursuant to the relevant legislation).

A director may not vote or be counted in the quorum on any resolution of the board or committee of the board concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more directors to offices or position of profit with the Company or any company in which the Company is interested, such

proposals may be divided and a separate resolution considered in relation to each director. In such case, each such director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(l) *Directors*

The directors (other than alternate directors) shall be entitled to receive by way of fees for their services as directors such sum as the board may from time to time determine (not exceeding £500,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the directors in such proportions and in such manner as the board may determine or, in default of such determination, equally (save where any director has held office for less than the whole of the relevant period in respect of which the fees are paid).

Each director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as director. If by arrangement with the board any director performs any special duties or services outside his ordinary duties as a director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the board may from time to time determine.

(m) *Pensions and benefits*

The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the board may, *inter alia*, establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

(n) *Indemnification of directors*

Subject to, and to the fullest extent permitted by, law, every director and every director of any associated company, former director, alternate director secretary or other officer of the Company (other than an auditor) may (at the discretion of the board) be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

(o) *Borrowing powers*

Subject to the provisions of the Act and to the provisions set out in the Articles, the board may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, or any part or parts thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed the greater of £20 million and an amount equal to 2.5 times the aggregate of:

- (i) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and

- (ii) the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries, whether or not distributable (including any share premium account, capital redemption reserve fund or revaluation reserve and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the income statement of the Company and its subsidiaries,

and after making appropriate adjustments all as shown in the relevant balance sheet of the Company and its subsidiaries but after any adjustments, exclusions and deductions as set out in the Articles.

6. Directors and employees

6.1 The Directors and each of their respective functions are set out on page 7 of this document.

6.2 The business address of the Directors is 96 Great Suffolk Street, London SE1 0BE.

6.3 Details of the length of service of each of the Directors to date in their current office are set out below:

<i>Name</i>	<i>Date of birth</i>	<i>Commencement date in office</i>
Roger Conant Faxon	16/06/1948	01/06/2015
Mark Sabin Tadeusz Popkiewicz	25/05/1959	20/05/2015
David Dorans	12/12/1965	On Admission
Mark Alexander Reilly	16/05/1979	On Admission
Alastair Hugh Lowell Kilgour	09/07/1956	On Admission
Anthony John Pearson	13/10/1957	02/10/2017

6.4 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company and its subsidiary undertakings are set out below:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Roger Conant Faxon	ITV plc Pandora Media Inc	EMI Group Global Limited The John Hopkins University Mirriad Limited
Mark Sabin Tadeusz Popkiewicz	—	Mirriad Limited
David Dorans	—	MSIX Communications Limited
Mark Alexander Reilly	Actual Experience plc	Remarkable Innovation Private Limited
Alastair Hugh Lowell Kilgour	Albert Innovations Limited Congenica Ltd Parkwalk Advisors Ltd Predictimmune Limited Victoria Innovations Limited	First Light Fusion Limited Symetrica Limited
Anthony John Pearson	Classic Racing EGTS Ltd FairFX PLC Imagen Ltd Vestdeck Limited	Shazam Entertainment Limited StarCo Media Limited The Food Corporation Limited

6.5 At the date of this document none of the Directors named in this document:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;

- (c) was a director of any company at the time of or within the twelve months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the twelve months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the twelve months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.6 Details of the number of the Group's employees for each of the following periods:

<i>Financial year ended</i>	<i>Average number of employees</i>
from incorporation to 31 December 2015	62
for the year ended 31 December 2016	74
6 months from 1 January to 30 June 2017	87

6.7 As at 7 November 2017, the employees of the Group were employed as follows:

Sales and account management	12
Ad operations and delivery	41
Research and development	32
Marketing and products	5
Management and administration	6
Total	96

7. Directors' and other interests

7.1 The interests of the Directors, their immediate families and any persons connected with them (within the meaning of section 252 of the Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

Ordinary Shares

	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
<i>Director</i>				
Roger Conant Faxon ¹	5,745	0.0	5,745	0.0
Mark Sabin Tadeusz Popkiewicz ¹	843,112	1.4	430,310	0.4
David Dorans	766,999	1.3	508,024	0.5
Mark Alexander Reilly	33,333	0.1	33,333	0.0
Alastair Kilgour	333,335	0.5	333,335	0.3
Anthony John Pearson	—	—	—	—

¹ Each of Roger Conant Faxon, David Dorans and Mark Sabin Tadeusz Popkiewicz hold both the legal and beneficial title to their Ordinary Shares in their own name.

Deferred Shares

<i>Director</i>	<i>Number of Deferred Shares</i>	<i>Percentage of issued Deferred Shares</i>
Roger Conant Faxon ¹	198	0.01
Mark Sabin Tadeusz Popkiewicz ¹	337	0.02
David Dorans	—	—
Mark Alexander Reilly	1,149	0.06
Alastair Kilgour	11,494	0.58
Anthony John Pearson	—	—

¹ Each of Roger Conant Faxon and Mark Sabin Tadeusz Popkiewicz hold both the legal and beneficial title to their Deferred Shares in their own name.

7.2 Details of the total number of options granted to the Directors under the Share Option Schemes outstanding as at 7 December 2017 are as follows:

Unapproved Scheme:

<i>Name</i>	<i>Date of grant</i>	<i>Exercise price per Ordinary Share (p)</i>	<i>Number of Ordinary Shares under Option</i>	<i>Exercise period</i>
Roger Conant Faxon	20 August 2015	30	610,696	20/08/18 – 5 years after cessation of office as non- executive director
Roger Conant Faxon	16 December 2016	62	987,218	16/12/19 – 5 years after cessation of office as non- executive director

EMI Scheme:

Unapproved Options

<i>Name</i>	<i>Date of grant</i>	<i>Exercise price per Ordinary Share (p)</i>	<i>Number of Ordinary Shares under Option</i>	<i>Exercise period</i>
Mark Sabin Tadeusz Popkiewicz	20 August 2015	30	184,493	20/08/18 – 20/08/25
Mark Sabin Tadeusz Popkiewicz	20 August 2015	30	69,084	20/08/18 – 20/08/25
Mark Sabin Tadeusz Popkiewicz	11 October 2017	62	1,469,753	11/10/20 – 11/10/27

7.3 Save as disclosed above, none of the Directors nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.

- 7.4 In addition to the interests of the Directors set out in paragraphs 7.1 to 7.3 above, as at the date of this document, insofar as is known to the Company, the following persons are, or will at Admission be, interested in three per cent or more of the issued share capital of the Company:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
IP Group plc	22,101,823	36.3	28,122,146	27.6
Parkwalk Advisers Limited	14,448,542	23.7	18,480,800	18.1
Soros Fund Management City Financial Investment Company Limited	—	—	4,838,710	4.7
Progeny	3,699,036	6.1	3,699,036	3.6
Henderson Global Investors Ltd	—	—	3,540,000	3.5
Ora Limited	3,333,333	5.5	3,333,333	3.3

- 7.5 The interests of the Concert Party in the issued share capital of the Company as at the date of this document, insofar as is known to the Company, and immediately following Admission are:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
IP Group plc	22,101,823	36.3	28,122,146	27.6
Parkwalk Advisers Limited	14,448,542	23.7	18,480,800	18.1
Numis Securities Limited	940,860	1.5	2,517,422	2.5
Mark Alexander Reilly	33,333	0.1	33,333	0.0
Alastair Kilgour	333,335	0.5	333,335	0.3

- 7.6 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in three per cent or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 7.7 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.
- 7.8 As at Admission the Company's share capital will consist of ordinary shares with equal voting rights (subject to the Articles) and Deferred Shares with no voting rights. No major Shareholder of the Company has any different voting rights from the other Shareholders.
- 7.9 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company or the Group during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.
- 7.10 There are no outstanding loans or guarantees provided by the Company or the Group or to or for the benefit of any of the Directors.
- 7.11 Save as disclosed in paragraph 23 of Section B of Part V of this document, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that the Company has entered into since 20 April 2015.
- 7.12 There are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties he may have.

- 7.13 No Director nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

8. Directors' remuneration and service agreements

- 8.1 Save for Mr Pearson, each of the agreements and/or letters referred to in paragraphs 8.2 to 8.7 below are conditional upon Admission occurring by 20 December 2017, failing which these letters and/or agreements shall not take effect and the relevant individuals will remain on their existing letter or service agreements (if any) with the Company.
- 8.2 Pursuant to the terms of a letter of engagement with the Company dated 8 December 2017, Roger Faxon has agreed to provide the services of Chairman and Non-executive Director for an annual fee of £100,000. This appointment is for a fixed term of three years unless it is terminated earlier: (i) by the Company or Mr Faxon giving to the other three months' written notice; (ii) by Mr Faxon being retired from office by a resolution of the Shareholders or not being re-elected to office; or (iii) as otherwise provided in accordance with the terms of Mr Faxon's letter.
- 8.3 Mark Popkiewicz is employed as Chief Executive Officer pursuant to the terms of a service agreement with the Company dated 8 December 2017. The agreement is terminable by either party on not less than six months' written notice. Mr Popkiewicz is paid a basic annual salary of £185,000. Mr Popkiewicz is also entitled to participate in the Bonus Scheme (as defined above). For the current (2017) Bonus Scheme year, Mr Popkiewicz could receive a payment of up to 30 per cent. of his annual salary. Mr Popkiewicz's basic salary is subject to annual review by the Remuneration Committee. Mr Popkiewicz is subject to certain non-competition and non-solicitation covenants for a period of twelve months' following the termination of his employment. The agreement is governed by English law.
- 8.4 David Dorans is employed as Chief Finance Officer pursuant to the terms of a service agreement with the Company dated 8 December 2017. The agreement is terminable by either party on not less than six months' written notice. Mr Dorans is paid a basic annual salary of £169,950 and is entitled to receive a further £10,000 per annum by way of performance related pay in the event of achievement of specified performance objectives. Mr Dorans is also entitled to participate in the Bonus Scheme (as defined above). For the current (2017) Bonus Scheme year, Mr Dorans could receive a payment of up to 30 per cent. of his annual salary. Mr Doran's basic salary and performance related pay are subject to annual review by the Remuneration Committee. Mr Dorans is subject to certain non-competition and non-solicitation covenants for a period of twelve months following the termination of his employment. The agreement is governed by English law.
- 8.5 Pursuant to the terms of a letter of engagement with the Company dated 8 December 2017, Dr Mark Reilly has agreed to serve as a Non-executive Director with effect from and conditional on Admission (provided that Admission occurs by 20 December 2017). The Company will make payment of £20,000 per annum to IP2IPO Limited or (at IP2IPO Limited's discretion) to Dr Reilly in respect of the service provided by Dr Reilly pursuant to the letter of engagement. This appointment is for a fixed term of three years unless it is terminated earlier: (i) by the Company or Dr Reilly giving to the other three months' written notice; (ii) by Dr Reilly being retired from office by a resolution of the Shareholders or not being re-elected to office; or (iii) as otherwise provided in accordance with the terms of Dr Reilly's letter.
- 8.6 Pursuant to the terms of a letter of engagement with the Company dated 8 December 2017, Mr Kilgour has agreed to serve as a Non-executive Director with effect from and conditional on Admission (provided that Admission occurs by 20 December 2017). The Company will make payment of £20,000 per annum to Parkwalk Advisors Limited or (at Parkwalk Advisors Limited's discretion) to Mr Kilgour in respect of the service provided by Mr Kilgour pursuant to the letter of engagement. This appointment is for a fixed term of three years unless it is terminated earlier: (i) by the Company or Mr Kilgour giving to the other three months' written notice; (ii) by Mr Kilgour being retired from office by a resolution of the Shareholders or not being re-elected to office; or (iii) as otherwise provided in accordance with the terms of Mr Kilgour's letter.

- 8.7 Pursuant to the terms of a letter of engagement with the Company dated 2 October 2017, John Pearson has agreed to serve as a Non-executive Director for an annual fee of £35,000 plus a further annual fee of £5,000 per Board committee on which he serves. This appointment is for a fixed term of three years unless it is terminated earlier: (i) by the Company or Mr Pearson giving to the other three months' written notice; or (ii) by Mr Pearson being retired from office by a resolution of the Shareholders or not being re-elected to office; or (iii) as otherwise provided in accordance with the terms of Mr Pearson's letter.
- 8.8 Save as disclosed in this document and subject to this paragraph 8.8 there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company or the Group. David Dorans, Roger Faxon and Mark Popkiewicz are all engaged on existing service agreements and/or letters of engagement with the Company and the intention is that these agreements and letters will be terminated and replaced by the agreements and/or letters referred to in paragraphs 8.2 to 8.4 above with effect from and subject to Admission.
- 8.9 In the financial year ended 31 December 2016 (being the last completed financial year of the Company) the aggregate remuneration paid, including pension contributions and benefits in kind granted to the Directors, was £409,831.
- 8.10 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable including pension contributions and benefits in kind granted to the Directors for the year ending 31 December 2017 (being the current financial year of the Company) will be £558,962.

9. The Share Option Schemes

9.1 *EMI Scheme*

The EMI Scheme was adopted by the Company on 20 August 2015. It is not intended to grant any new options under the existing EMI Scheme, but a brief summary of its principal terms is set out below.

Structure

The EMI Scheme is designed to be an HMRC enterprise management incentive share option plan for tax purposes, and is therefore subject to the requirements of Schedule 5, Income Tax (Earnings and Pensions) Act 2003. In particular, the value of options granted under it to a participant may not exceed a specified limit, currently £250,000.

Options have been granted under the EMI Scheme to overseas employees located in the US, China, India and Singapore. Those options are unapproved options and subject to the prevailing tax treatment in the relevant jurisdiction.

Eligibility

All employees and executive directors of the Company, who satisfy the enterprise management incentive working time requirement are eligible to participate. Participation is at the discretion of the Directors.

Grant of options

An option (or part thereof) that fails to meet the provisions of Schedule 5 at the date of grant shall be an unapproved option. No options may be granted under the EMI Scheme after the tenth anniversary of the date of adoption of the EMI Scheme. Options could be granted at any time by the Directors prior to Admission, but it is not intended to grant any further options under the EMI Scheme. Options are all subject to a three-year vesting period, vesting as to one-third of the Ordinary Shares under option on each of the first, second and third anniversaries of grant. No consideration is payable for the grant of an option. Options are personal to a participant and, except on the death of a participant, may not be transferred.

Performance conditions

Outstanding options have not been granted subject to performance conditions, although the rules of the EMI Scheme provide that the Directors may impose performance conditions at grant.

Exercise price

The price at which participants may acquire shares on exercise is determined by the Directors, but has been set at the market value of the Company's Ordinary Shares as agreed in advance with HMRC Shares and Assets Valuation for each outstanding EMI Option.

Individual limits

The market value of Ordinary Shares held by an individual under qualifying EMI Options may not exceed the statutory limit (currently £250,000). Options granted in excess of this limit are unapproved options.

Share capital limit

The total number of unissued Ordinary Shares in respect of which options may be granted under the EMI Scheme in any year shall not, when aggregated with the number of Ordinary Shares issued pursuant to options granted, or capable of issue pursuant to options granted under the EMI Scheme and any share option scheme during the period of 10 years commencing on the date of adoption of the EMI Scheme, exceed 15 per cent of the share capital of the Company in issue from time to time.

The total market value of Ordinary Shares (having been calculated at the date of grant of the relevant EMI Option) in respect of which unexercised EMI Options exist on any given day must not exceed £3.0 million (or such other amount as may from time to time be specified in Schedule 5).

Exercise, lapse and exchange of options

Options are granted subject to a three year vesting period and may be exercised as and when they vest.

If an option holder ceases to be an employee of any Group Company by reason of his death, his option may be exercised by his personal representatives at any time during the period of twelve months following the date of his death and before his Option lapses, in respect of all the Ordinary Shares under option which at the date of his death were vested.

If an option holder ceases to be an employee of any Group Company (and does not immediately become an employee of another Group Company) by reason of injury, ill-health or disability or in exceptional circumstances (as determined by the Directors in their sole discretion), the option holder may exercise his option in respect of vested Ordinary Shares at any time within a period of 90 days from the date of cessation of employment and before his option lapses.

In the event of certain corporate events such as a change of control, asset sale or listing, unvested options vest early and options may be exercised in full. The Board resolved on 14 November 2017 to amend the EMI Scheme, in respect of unapproved options granted under the EMI Scheme rules only, and the Unapproved Scheme, to permit holders of unapproved options to choose either to accept the accelerated vesting and exercise their options within 90 days of Admission or to accept an amendment whereby unapproved options will continue to vest under their original vesting schedule unless the option holder's office as a director terminates or their employment ceases, in which case their option vesting will accelerate and they can exercise in full for a specified period post termination. For enterprise management incentive options granted under the EMI Scheme, Admission will remain an exercise trigger and unexercised options will lapse 90 days after Admission. Option holders who choose to exercise their options will be permitted to sell sufficient Ordinary Shares to cover the aggregate exercise price. Since the capital gains tax liability arising for EMI Option holders who sell some Ordinary Shares to cover the exercise price will not be payable until 31 January 2019, the option holders will only sell sufficient Ordinary Shares to cover their exercise price.

Although it is not anticipated that the exercise of EMI options will result in income tax and NIC liabilities, the EMI Scheme rules contain an indemnity from the option holders in respect of such liabilities. The Company has not historically transferred the employer's NIC liability to participants in the EMI Scheme.

Variations in share capital

The number of Ordinary Shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction, consolidation or other variation of the Company's share capital occurs. Option holders must be notified of any adjustment to their options.

Amendments

The Directors may amend the Rules of the EMI Scheme by a resolution of the Directors provided that where any alteration would abrogate or adversely affect the subsisting rights of an option holder it will not be effective unless such alteration is made with the consent in writing of the option holder. Notwithstanding this provision, the Directors may amend the provisions of the EMI Scheme, any option agreement and/or the terms of any options as they consider necessary or desirable to improve the administration of the EMI Scheme, comply with or take account of the provisions of any proposed or existing legislation, or obtain or maintain favourable tax or regulatory treatment for the Company or any Group Company or any option holder, without the need for the consent of option holders provided that such amendments or additions do not affect the basic principles of the EMI Scheme and/or the options.

Administration and general

To ensure compliance with the requirements for making deductions under the PAYE system, any income tax and employee Class 1 NIC (or the equivalent in any foreign jurisdiction) payable on gains made on the exercise of an option granted under the EMI Scheme must either be paid to the relevant employing company by the participant or, in default of such payment being made, the Company may make the necessary deduction out of the net proceeds of sale of the shares acquired on exercise of the options. Any sums collected in this manner will be paid to HMRC.

The EMI Scheme also makes provision for the employer's secondary Class 1 NIC to be paid by the participant, however, the Company has not historically required option holders to bear this liability.

The Company may terminate the EMI Scheme at any time without prejudice to subsisting options. Subject to such termination, the EMI Scheme shall terminate 10 years from the date of its adoption by shareholders.

Benefits received under the EMI Scheme will not be pensionable.

9.2 Unapproved Scheme

The Unapproved Scheme was adopted by the Company on 20 August 2015 and provides for the grant of options to non-executive directors only. The provisions of the Unapproved Scheme are substantially the same as those of the EMI Scheme, save to the extent that they do not need to satisfy the requirements for tax relief under the enterprise management incentive legislation. In addition, there is no £250,000 individual limit under the Unapproved Scheme.

The Board resolved on 14 November 2017 to amend the rules of the Unapproved Scheme to allow option holders to accept full vesting of their options on Admission and exercise them within 90 days of Admission or to retain their original vesting schedule and become exercisable when fully vested or in the event of cessation of employment. The Chairman's Unapproved Options granted by the Company on 20 August 2015 and 16 December 2016, respectively are subject to a different arrangement i.e. the Chairman's options will vest in full on Admission and may be exercised at any time after vesting and up to 5 years after the cessation of his position as Chairman or termination of his role as a non-executive director, subject to the AIM Rules for Companies, MAR and the lock-in arrangements contained in the Placing Agreement.

9.3 LTIP

The LTIP was adopted by the Board on 7 December 2017. A brief summary of its principal terms is set out below.

Structure

The LTIP is designed to be an unapproved share option plan for UK tax purposes. There is no statutory limit on the value of options granted under it to a participant, but the rules provide that awards made under the LTIP may not exceed a specified limit, currently 1x basic salary annually.

Options may be granted under the LTIP to overseas employees. The Company intends to adopt a sub-plan to the LTIP specifically to take account of US tax provisions, subject to advice from US legal counsel, but it is not currently intended to adopt further overseas sub-plans. Options granted to overseas employees under the LTIP are subject to the prevailing tax treatment in the relevant jurisdiction.

Eligibility

All employees and executive directors of the Company are eligible to participate. Participation is at the discretion of the Directors.

Grant of options

All options granted under the LTIP are unapproved for UK tax purposes. No Options may be granted under the LTIP after the tenth anniversary of the adoption of the LTIP. Options may only be granted by the Company in accordance with MAR and provided the Company is not in a closed period. Options are all subject to a three-year vesting period, vesting as to one-third of the Ordinary Shares under option on each of the first, second and third anniversaries of grant. No consideration is payable for the grant of an option. Options are personal to a participant and, except on the death of a participant, may not be transferred.

Performance conditions

The LTIP rules permit the Remuneration Committee to impose performance conditions at grant.

Exercise price

The price at which participants may acquire Ordinary Shares on exercise is determined by the Remuneration Committee.

Individual limits

The market value of Ordinary Shares held by an individual under unapproved options is not subject to a statutory limit, but the rules specify that the value of option grants cannot exceed 1x basic salary annually.

Share capital limit

The total number of unissued Ordinary Shares in respect of which options may be granted under the LTIP in any year shall not, when aggregated with the number of Ordinary Shares issued pursuant to options granted, or capable of issue pursuant to options granted, under the LTIP (including the New EMI Scheme) during the period of 10 years commencing on the date of adoption of the LTIP, is expected to be in the range 12.75 per cent – 15 per cent, but will not exceed 15 per cent of the share capital of the Company in issue from time to time.

Exercise, lapse and exchange of options

Options are granted subject to a three year vesting period and may be exercised as and when they vest.

If an option holder ceases to be an employee of any Group Company by reason of his death, his option may be exercised by his personal representatives at any time during the period of twelve months following the date of his death and before his option lapses, in respect of all the Ordinary Shares under option which at the date of his death were vested.

If an option holder ceases to be an employee of any Group Company (and does not immediately become an employee of another Group Company) by reason of injury, ill-health or disability or in exceptional circumstances (as determined by the Directors in their sole discretion), the option holder may exercise his option in respect of vested Ordinary Shares at any time within a period of 90 days from the date of cessation of employment and before his option lapses.

The LTIP rules contain an indemnity from the option holders in respect of income tax and employees' primary Class 1 NIC liabilities. The Company has not historically transferred the employer's secondary Class 1 NIC liability to option holders and it is not anticipated that this policy will change following Admission.

Variations in share capital

The number of Ordinary Shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction, consolidation or other variation of the Company's share capital occurs. Option holders must be notified of any adjustment to their options.

Amendments

The Directors may amend the LTIP rules by a resolution of the Directors provided that where any alteration would abrogate or adversely affect the subsisting rights of an option holder it will not be effective unless such alteration is made with the consent in writing of the option holder. Notwithstanding this provision, the Directors may amend the provisions of the LTIP, any option agreement and/or the terms of any options as they consider necessary or desirable to improve the administration of the LTIP, comply with or take account of the provisions of any proposed or existing legislation, or obtain or maintain favourable tax or regulatory treatment for the Company or any Group Company or any option holder, without the need for the consent of option holders provided that such amendments or additions do not affect the basic principles of the LTIP and/or the options.

Administration and general

To ensure compliance with the requirements for making deductions under the PAYE system, any income tax and employees' Class 1 NIC (or the equivalent in any foreign jurisdiction) payable on gains made on the exercise of an option granted under the LTIP must either be paid to the relevant employing company by the participant or, in default of such payment being made, the Company may make the necessary deduction out of the net proceeds of sale of the shares acquired on exercise of the options. Any sums collected in this manner will be paid to HMRC.

The LTIP also makes provision for the employer's secondary Class 1 NIC to be paid by the participant, however, the Company has not historically required option holders to bear this liability.

The Company may terminate the LTIP at any time without prejudice to subsisting options. Subject to such termination, the LTIP shall terminate 10 years from the date of its adoption.

Benefits received under the LTIP will not be pensionable.

9.4 New EMI Scheme

The New EMI Scheme set out in the schedule to the LTIP was adopted by the Board on 7 December 2017. A brief summary of its principal terms is set out below.

Structure

The New EMI Scheme is designed to be an HMRC enterprise management incentive share option plan for tax purposes, and is therefore subject to the requirements of Schedule 5, Income (Earnings and Pensions) Act 2003. In particular, the value of options granted under it to a participant may not exceed a specified limit, currently £250,000.

Eligibility

All employees and executive directors of the Company, who satisfy the enterprise management incentive working time requirement are eligible to participate. Participation is at the discretion of the Directors.

Grant of options

An option (or part thereof) that fails to meet the provisions of Schedule 5 at the date of grant shall be an unapproved option. No options may be granted under the New EMI Scheme after the tenth anniversary of the date of its adoption. Options can be granted by the Directors subject to MAR and provided the Company is not in a closed period. Options are all subject to a three-year vesting period, vesting as to one-third of the Ordinary Shares

under option on each of the first, second and third anniversaries of grant. No consideration is payable for the grant of an option. Options are personal to a participant and, except on the death of a participant, may not be transferred.

Performance conditions

The rules of the New EMI Scheme provide that the Directors may impose performance conditions at grant.

Exercise price

The price at which participants may acquire shares on exercise is determined by the Directors, but is intended to be set at the market value of the Ordinary Shares as agreed in advance with HMRC Shares and Assets Valuation.

Individual limits

The market value of Ordinary Shares held by an individual under qualifying EMI Options may not exceed the statutory limit (currently £250,000). Options granted in excess of this limit are unapproved options.

Share capital limit

The New EMI Scheme is subject to the overall headroom limit applicable to the LTIP, as described above.

The total market value of Ordinary Shares (having been calculated at the date of grant of the relevant EMI Option) in respect of which unexercised EMI Options exist on any given day must not exceed £3.0 million (or such other amount as may from time to time be specified in Schedule 5).

Exercise, lapse and exchange of options

Options are granted subject to a three-year vesting period and may be exercised as and when they vest.

If an option holder ceases to be an employee of any Group Company by reason of his death, his option may be exercised by his personal representatives at any time during the period of twelve months following the date of his death and before his option lapses, in respect of all the Ordinary Shares which at the date of his death were vested.

If an option holder ceases to be an employee of any Group Company (and does not immediately become an employee of another Group Company) by reason of injury, ill-health or disability or in exceptional circumstances (as determined by the Directors in their sole discretion), the option holder may exercise his option in respect of vested Ordinary Shares at any time within a period of 90 days from the date of cessation of employment on which he ceased to be such an employee and before his option lapses.

Although it is not anticipated that the exercise of EMI Options will result in income tax and NIC liabilities, the New EMI Scheme rules contain an indemnity from the option holders in respect of such liabilities. The Company has not historically transferred the employer's secondary Class 1 NIC liability to participants and it is not anticipated that this policy will change in relation to the New EMI Scheme.

Variations in share capital

The number of Ordinary Shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction, consolidation or other variation of the Company's share capital occurs. Option holders must be notified of any adjustment to their options.

Amendments

The Directors may amend the rules of the New EMI Scheme by a resolution of the Directors provided that where any alteration would abrogate or adversely affect the subsisting rights of an option holder it will not be effective unless such alteration is made with the consent in writing of the option holder. Notwithstanding this provision, the Directors may amend the provisions of the New EMI Scheme, any option agreement and/or the terms of any options as they consider necessary or desirable to improve the administration of the New EMI Scheme, comply with or take account of the provisions of any proposed or existing legislation, or obtain or maintain favourable tax or regulatory treatment for the Company or

any Group Company or any option holder, without the need for the consent of option holders provided that such amendments or additions do not affect the basic principles of the New EMI Scheme and/or the options.

Administration and general

To ensure compliance with the requirements for making deductions under the PAYE system, any income tax and employees' Class 1 NIC (or the equivalent in any foreign jurisdiction) payable on gains made on the exercise of an option granted under the New EMI Scheme must either be paid to the relevant employing company by the participant or, in default of such payment being made, the Company may make the necessary deduction out of the net proceeds of sale of the Ordinary Shares acquired on exercise of the options. Any sums collected in this manner will be paid to HMRC.

The New EMI Scheme also makes provision for the employer's secondary Class 1 NIC to be paid by the participant, however, the Company has not historically required option holders to bear this liability.

The Company may terminate the New EMI Scheme at any time without prejudice to subsisting options. Subject to such termination, the New EMI Scheme shall terminate 10 years from the date of its adoption.

Benefits received under the New EMI Scheme will not be pensionable.

10. Taxation

The following statements are intended only as a general guide current as at 7 December 2017 (being the latest practicable date prior to publication of this document) to United Kingdom tax legislation and to the current published practice of the HMRC and do not constitute tax advice. They may not apply to certain categories of Shareholder, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, who may be subject to special rules. Levels and bases of taxation are subject to change. They apply only to Shareholders resident (and, in the case of individuals, domiciled or deemed domiciled) for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Ordinary Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Ordinary Shares. Any person who is in any doubt as to his tax position or who is resident for tax purposes outside the United Kingdom is strongly recommended to consult his professional advisers immediately.

10.1 *Stamp Duty and Stamp Duty Reserve Tax*

As this is an admission to trading on AIM, no stamp duty and/or stamp duty reserve tax should be due on the issue of new Ordinary Shares.

Subsequent sales of the Ordinary Shares once admitted to trading on AIM should be exempt from both stamp duty and stamp duty reserve tax provided that the Ordinary Shares remain admitted to trading on AIM but are not listed on any other recognised stock exchange in the UK or elsewhere.

10.2 *Dividends*

The United Kingdom taxation implications relevant to the receipt of dividends on the new Ordinary Shares are as follows:

Individual shareholders resident and domiciled (or deemed domiciled) in the UK

There is no United Kingdom withholding tax on dividends. Individual holders of new Ordinary Shares will be taxable on the total dividend received, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax.

From 6 April 2016, a nil rate of income tax will apply to the first £5,000 of dividend income received by an individual shareholder in a tax year (the "Nil Rate Amount"), regardless of what tax rate would otherwise apply to that dividend income. Under Finance Act (No.2) 2017, the Nil Rate Amount will be reduced to £2,000 for dividends received on or after 6 April 2018. Any dividend income received by an individual shareholder in a tax year in excess of

the Nil Rate Amount will be subject to income tax at the following dividend rates for 2017/18: 7.5 per cent for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent for additional rate taxpayers.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the nil rate amount. In calculating into which tax band any dividend income over the nil rate amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Corporate shareholders

A holder of new Ordinary Shares which is a company resident for tax purposes in the United Kingdom will have to pay corporation tax in respect of any dividends it receives from another company resident for tax purposes in the United Kingdom, unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular UK resident company shareholder.

Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder (which is not a “small company” for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19 per cent from 1 April 2017) unless the dividend falls within one of the exempt classes set out in Part 9A. These exemptions include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not “redeemable”, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance rules. Shareholders within the charge to UK corporation tax are advised to consult their professional advisers to determine the UK corporation tax treatment of such dividends.

Non-UK resident Shareholders

Individual Shareholders resident for tax purposes outside the UK are treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident individual Shareholder. A non-UK resident individual Shareholder is not generally subject to further UK tax on dividend receipts.

Shareholders resident for tax purposes outside the UK may be subject to foreign taxation on dividends received on their new Ordinary Shares or in respect of other transactions relating to the shares under the tax law of their country of residence.

Shareholders resident for tax purposes outside the UK should consult their own tax advisers as soon as possible concerning their tax liability on dividends received; what relief, credit or entitlement to a refund of any tax credit may be available in the jurisdiction in which they are resident for tax purposes; or other taxation consequences arising from their ownership of the new Ordinary Shares.

10.3 *Disposal of shares acquired under the Placing*

Existing Shareholders

To the extent that existing shareholders acquire new Ordinary Shares pursuant to the Placing, this will not be regarded as a reorganisation of the company's share capital for the purposes of UK taxation of chargeable gains. Accordingly such an acquisition of new Ordinary Shares will instead be treated as a separate acquisition of shares.

New Shareholders

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of his holdings in those Ordinary Shares.

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains depending upon the Shareholder's circumstances and subject to any available exemption or relief.

Individual shareholders tax resident in the UK

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is 10 per cent. (2017/2018) for individuals who are subject to income tax at the basic rate and 20 per cent. (2017/2018) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £11,300) for the year to 5 April 2018 without being liable to UK capital gains tax.

If the conditions for EIS relief are met, any capital gain may be exempt from tax. Please refer to section 10.4 for further details.

Corporate shareholders

Corporate shareholders within the charge to UK corporation tax may be liable to corporation tax on any chargeable gains realised on the disposal (or deemed disposal) of Ordinary Shares, at a rate of 19 per cent with effect from 1 April 2017. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but indexation allowance cannot create or increase any allowable loss. A Shareholder who is not resident for tax purposes in the UK will not normally be liable for UK tax on capital gains realised on the disposal of his Ordinary Shares unless at the time of the disposal such Shareholder carries on a trade (which for this purpose includes a profession or vocation) in the UK through a permanent establishment and such Ordinary Shares are to have been used, held or acquired for the purposes of such UK permanent establishment. A Shareholder who is an individual and who has previously been resident or ordinarily resident in the United Kingdom may in some cases be subject to UK tax on capital gains in respect of a disposal of Ordinary Shares in the event that they re-establish residence in the United Kingdom.

10.4 *Enterprise Investment Scheme*

The Directors have been advised that a subscription for Ordinary Shares in the Company by an individual investor who is a UK taxpayer may, subject to his or her personal circumstances, qualify for relief under the EIS.

In addition, for EIS relief to apply, the Company must comply with a number of conditions throughout the qualifying three year period relating to those shares.

The following provides an outline of the EIS tax reliefs available to individuals. Any potential investors should obtain independent advice from a professional tax adviser in relation to their own circumstances.

In summary, EIS relief may be available where a qualifying company issues new shares, the purpose of which is to raise money for a qualifying business activity. The EIS Placing Shares must be subscribed for in cash and be fully paid up at the date of issue and must be held, broadly, for three years from the later of the date they were issued or the commencement of the Company's trade.

EIS income tax relief is available to individuals only. The current relief is 30 per cent. of the amount subscribed for EIS Placing Shares to be set against the individual's income tax liability for the tax year in which the EIS investment is made, and is available up to a maximum of £1,000,000 in EIS subscriptions per tax year. This relief can be 'carried back' one tax year. This relief is only available to individuals who are not connected with the Company in the period of two years prior to and three years after the subscription.

Very broadly, an individual is connected with the issuing company if, *inter alia*, he or his associates are employees or directors or have an interest in more than 30 per cent., of the Company's ordinary share capital.

Where EIS income tax relief has been given and has not been withdrawn, any gain on the subsequent disposal of the shares in qualifying circumstances is generally free from capital gains tax. If the shares are disposed of at a loss, capital gains tax relief will generally be available for that loss net of any income tax relief previously given.

Alternatively, an election can be made to set that loss (less any income tax relief already given) against income of that year or the preceding year.

Individuals who have realised gains on other assets within one year before or up to three years after the EIS Placing Shares are issued, are able to defer a capital gains tax liability arising on those gains by making a claim to reinvest an amount of those gains against the cost of the EIS Placing Share subscription. Deferred gains will become chargeable on a disposal or deemed disposal of the EIS Placing Shares. The investor can be connected with the Company (as outlined above) and obtain such capital gains tax deferral relief.

Persons who are not resident in the United Kingdom should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

These comments are intended only as a general guide to the current tax position in the United Kingdom as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of a financial trade. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

11. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group (i) within the period of two years immediately preceding the date of this document and which are, or may be, material or (ii) which contain any provision under which any member of the Group has an obligation or entitlement to the Group as at the date of this document:

- (a) A placing agreement dated 8 December 2017 and made between (1) the Company (2) the Directors (3) Numis and (4) Baden Hill, pursuant to which Numis and Baden Hill have agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure placees to subscribe for the Placing Shares other than the Sale Shares at the Placing Price.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 19 December 2017 (or such later date as the Company and Numis may agree, being not later than 8.30 a.m. on 20 December 2017). The Placing Agreement contains warranties from the Company and the Directors in favour of Numis and Baden Hill in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Numis and Baden Hill in respect of certain liabilities they may incur in respect of the Placing. Numis and Baden Hill have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a force majeure event.

Under the Placing Agreement, the Directors have undertaken (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the twelve month anniversary of Admission.

Furthermore, each of the Directors have also undertaken to the Company, Numis and Baden Hill not to dispose of their Ordinary Shares for a further twelve months following the expiry of the Director Lock-in Period otherwise than through Numis and/or Baden

Hill for such time as they shall remain brokers to the Company and in such manner as they may determine with a view to maintaining an orderly market in the Ordinary Shares.

- (b) Lock-in agreements dated 8 December 2017 and made between (1) the Company (2) Baden Hill, (3) Numis and (4) the Covenantors, pursuant to which the Covenantors have undertaken to the Company, Numis and Baden Hill (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the six month anniversary of Admission.

Furthermore, each of the Covenantors have also undertaken to the Company, Numis and Baden Hill not to dispose of their Ordinary Shares for a further six months following the expiry of the Covenantor Lock-in Period otherwise than through Numis and/or Baden Hill for such time as they shall remain brokers to the Company and in such manner as they may determine with a view to maintaining an orderly market in Ordinary Shares.

- (c) A nominated adviser and broker agreement dated 8 December 2017 and made between (1) the Company (2) the Directors and (3) Numis pursuant to which the Company has appointed Numis to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Numis a fee of £75,000 plus VAT per annum for its services as nominated adviser and broker under this agreement for the 12 months following Admission and £85,000 plus VAT per annum for such services for the second year following Admission. The agreement contains certain undertakings, warranties and indemnities given by the Company and the Directors to Numis. The agreement is for a fixed term of twelve months and thereafter is terminable upon not less than one months' prior written notice by either the Company or Numis.
- (d) A relationship agreement dated 8 December 2017 and made between (1) the Company, (2) IP2IPO Portfolio L.P., (3) IP2IPO Nominees Limited, (4) Parkwalk and (5) Numis to regulate the relationship between each of them and the Company after Admission. The Relationship Agreement, which provides for the autonomous operation of the Company by the Board independently of IP2IPO Portfolio L.P., IP2IPO Nominees Limited and Parkwalk and will be binding on each of them until they cease, directly or indirectly, to exercise control over at least 30 per cent of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the Relationship Agreement, IP2IPO Portfolio L.P., IP2IPO Nominees Limited and Parkwalk also undertake, amongst other things, that they will (and, in relation to their associates, will procure that each of their associates will): (i) conduct all transactions, agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; (ii) ensure that no contract of arrangement between them and any member of the Group is entered into or varied without the prior approval of a majority of independent Directors; and (iii) exercise their its business independently of IP2IPO Portfolio L.P., IP2IPO Nominees Limited and Parkwalk.
- (e) A shareholders' agreement dated 19 March 2016 (as amended on 15 December 2016) between (1) the Company (2) the Investors (being certain Shareholders) and (3) the Managers, (as defined in the agreement and being employee shareholders of the Company) (the "Shareholders' Agreement"). The Shareholders' Agreement contains provisions typical of an agreement of its nature including provisions governing the decision-making functions of the Company as between the Managers and the Investors in respect of the conduct of the Group. The Shareholders' Agreement will be terminated on Admission.

12. Working capital

In the opinion of the Directors having made due and careful enquiry, taking into account the net proceeds of the Placing, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of Admission.

13. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have or have had during the last twelve months preceding the date of this document, a significant effect on the financial position or profitability of the Company and/or the Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

14. Significant change

Save as described in the paragraph headed "Current trading and prospects" in Part I of this document, there has been no significant change in the financial or trading position of the Group since 30 June 2017, being the date to which the Group's unaudited interim financial information set out in Section C of Part IV was prepared.

15. Consents

- 15.1 Numis Securities Limited of The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT is authorised and regulated in the United Kingdom by the FCA. Numis has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they appears.
- 15.2 Baden Hill, a trading name of Northland Capital Partners Limited, having its head office 4 Lombard Street, London EC3V 9HD and its registered office at 60 Gresham Street, London EC2V 7BB is authorised and regulated in the United Kingdom by the FCA. Baden Hill has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they appear.
- 15.3 PricewaterhouseCoopers LLP, of 3 Forbury Place, 23 Forbury Road, Reading RG1 3JH, has given and has not withdrawn its written consent to the inclusion in this document of its accountants report on the Group as set out in Section A of Part IV of this document in the form and context in which it appears and has authorised its report for the purpose of Schedule Two of the AIM Rules for Companies.

16. General

- 16.1 The gross proceeds of the Placing are expected to be approximately £26.2 million. The Placing will raise approximately £25.4 million (before expenses) for the Company and will raise approximately £0.8 million before expenses for the Selling Shareholders.
- 16.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the twelve months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
 - (a) fees totalling £10,000 or more;
 - (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 16.3 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.4 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 16.5 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 16.6 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 16.7 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.

- 16.8 Save as disclosed in this document, the Directors believe that the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 16.9 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent but not more than 50 per cent of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the company within the preceding twelve months, for all of the remaining equity share capital of the company.
- 16.10 The Ordinary Shares will also be subject to the compulsory acquisition procedures set out in sections 979 to 991 of the Act. Under section 979 of the Act, where an offeror makes a takeover offer and has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent of the shares to which the offer relates and, in a case where the shares to which the offer relates are voting shares, not less than 90 per cent of the voting rights carried by those shares, that offeror is entitled to compulsorily acquire the shares of any holder who has not acquired the offer on the terms of the offer.
- 16.11 Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.
- 16.12 The current accounting reference period of the Company will end on 31 December 2017.
- 16.13 The financial information contained in Part IV of this document does not constitute statutory accounts within the meaning of section 434 of the Act. The auditors for each of the period since incorporation to 31 December 2015 and the year ended 31 December 2016 were PricewaterhouseCoopers LLP, Chartered Accountants and registered auditors, of The Atrium, 1 Harefield Road, Uxbridge, Middlesex UB8 1EX. A copy of the audited statutory accounts of the Company for each of the periods ended 31 December 2015 and, 31 December 2016 has been delivered to the Registrar of Companies in England and Wales. The auditors' reports for each of the periods ending 31 December 2015 and 31 December 2016 under section 495 of the Act on those accounts were unqualified and did not contain any statement under section 498 of the Act.

17. Selling Shareholders

The names of each of the Selling Shareholders are set out below:

<i>Name</i>	<i>Office or other relationship with the Company</i>	<i>Number of Sale Shares</i>
Mark Popkiewicz	CEO	412,802
David Dorans	CFO	258,975
Dr Tim Harris	CTO	150,770
Dr Phil McLaughlan	Chief Scientist	148,046
Stephen Stewart	Head of Ad Operations	50,131
Ian Morgan	Head of Development	23,750
Kate Goldvasser	VP Strategic Marketing	49,016
Barry Llewellyn	General Manager Europe	20,053
Daniel Hansens	Head of Product	185,750

The business address of each of the Selling Shareholders is 96 Great Suffolk Street, London, SE1 0BE.

18. Availability of this document

A copy of this document is available at the Company's website www.mirriadplc.com.

Dated 8 December 2017

