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2 December 2021

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

Interim results for the six months to 30 September 2021

Mirada (AIM: MIRA), a leading provider of integrated software solutions for digital TV operators and broadcasters, announces its unaudited interim results for the six months to 30 September 2021.

Financial Highlights

- Revenue increased \$0.52m (10%) to \$5.99m (H1 FY21: \$5.47m).
- EBITDA* increased \$0.55m (96%) to \$1.12m (H1 FY21: \$0.57m).
- Net Debt** increased to \$7.71m at 30 September 2021 (31 March 2021: \$7.07m), including utilisation of \$1.12m of the revolving credit facility with Leasa, owned by the Group's largest shareholder.

* EBITDA is defined as earnings before interest, tax, depreciation, amortisation and share-based payments

** Net Debt is defined as Gross Debt minus Cash

Operational Highlights

- Significant increase in licences and Android TV uptake from the Group's largest customer, izzi Telecom.
- Commercial opportunities in Latin America continue to progress and emergence of Southeast Asia as a key potential growth market.
- Increase (from €1.3m to €3.0m) and extension of the Leasa facility, expiring November 2022.
- Completion of full transition to a remote/office working hybrid model, reducing overheads.

Post-period Highlights

- Set-top boxes ("STBs") deployed with Android TV technology surpassed 1 million in November 2021.
- Increased presence in North America and the Caribbean through strategic collaboration with Shift 2 Stream.
- Trading conditions continue to improve and pipeline continues to grow.
- Confident of delivering a year of material commercial and strategic progress.

José-Luis Vázquez, CEO of Mirada, commented:

"The market is now in recovery and with a superior product and a clear sales strategy, we are in a strong position to return to the growth trajectory we were on before the pandemic. Existing customers

are once again looking to invest in our products and services and, while the lead times on new business can be lengthy and hard to predict, our pipeline is large and we are having productive conversations with prospects on a daily basis.

Of course, the operating environment is not without risk and uncertainty as seen with the increase in Covid precautions over the past few days, but we have proven how resilient we are in the toughest of conditions, and assuming the demand in the market remains strong, we are confident in our ability to deliver high levels of commercial and strategic progress through the second half and beyond.”

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About Mirada

Mirada is a leading provider of products and services for Digital TV Operators and Broadcasters. Founded in 2000 and led by CEO José Luis Vázquez, the Company prides itself on having spent over 20 years as a pioneer in the Digital TV market. Mirada's core focus is on the ever-growing demand for TV Everywhere for which it offers a complete suite of end-to-end modular products across multiple devices, all with innovative state-of-the-art UI designs. Mirada's products and solutions, acclaimed for unparalleled flexibility and optimal time to market, have been deployed by some of the biggest names in digital media and broadcasting including Televisa, ATN International, Telefonica, Sky, Virgin Media, BBC, ITV, Skytel and France Telecom Orange. Headquartered in London, Mirada has commercial representation across Europe, Latin America and Southeast Asia and operates technology centres in the UK, Spain and Mexico. For more information, visit www.mirada.tv.

Chief Executive Officer's Statement

Overview

I am pleased to report that the growing momentum across the business reported in the announcement of our full year results has continued. Having not only weathered the pandemic so far but taken the opportunity to make significant and permanent operational improvements to the business, Mirada is primed to capitalise on the ever-increasing number of opportunities that are arising as we begin to look beyond the worst of Covid.

Period Review

The six months to the end of September 2021 was a period where virtually no new business activity took place – not only at Mirada but across the industry – so to be able to post a solid set of financials goes a long way to demonstrating how resilient we are as a business, underpinned by sticky customers and a growing proportion of recurring revenues.

Operationally, we have continued to make excellent progress. Most significantly, our new global sales strategy – which has specialist resellers with vast local knowledge at its core – has been implemented and continues to go from strength to strength. Post-period end, we signed a significant reseller deal with Shift 2 Stream, a TV as a Service provider active in North America and the Caribbean, enabling us to expand our reach into North America and strengthening our presence in the Caribbean, both of which are important markets. A typical lead time for Mirada to sign up customers is nine to twelve months, but the fact our pipeline of active opportunities has grown so substantially in such a short space of time should reassure investors we are moving in the right direction with real conviction.

We took the opportunity during the pandemic to refocus and optimise the organisation and make it more robust. We now have established remote working practices and are seeing increased levels of productivity across our technical, sales and central teams as a result. Fully embracing the cloud has not only enabled Mirada itself to operate as a more joined up entity, but it has proven invaluable in selling and maintaining our products and services around the world. As we approach calendar year 2022, Mirada is a leaner and more efficient and nimble business.

We have previously identified the transition to Android TV as being a key market trend where Mirada has a strong competitive position, and the first half saw us continue to cement our position as one of the world's pre-eminent providers. The success of our rollout of STBs powered by our Android TV Operator Tier offering led to a significant increase in the number of licences our largest customer, izzi Telecom, ordered from us, which helped support revenues. Post-period end, we officially surpassed deployment of one million set-top-boxes containing our software which, according to statistics published by technology research firm Omdia, means Mirada STBs now constitute approximately 5% of the expected 20 million global Android TV Operator Tier installed base in 2021. Omdia forecasts that 50 million Android TV Operator Tier STBs will be in use in 2024, and with existing and prospective customers actively considering replacing their legacy platforms, we are well-positioned to be a material part of that growth.

Closely linked to the explosion in demand for Android TV technology is the rise of super-aggregation, another macrotrend that is having a profound effect on the whole digital entertainment industry. In response to the rise of premium content providers such as Netflix and Amazon Prime Video, traditional pay TV operators are moving away from simply providing a range of linear channels to working with content providers to integrate their offerings alongside their own into a single,

consolidated TV experience. This enables them to attract new and retain existing subscribers, who increasingly demand variety and convenience in equal measure, while providing the content providers a lucrative, low-cost route to market.

Mirada's flagship Android TV-powered product, Iris, now boasts one of the most comprehensive sets of integrated content providers available, with all the key players including Disney+, Amazon Prime Video, Netflix, HBO, Fox and more now represented. This is a technically challenging feat to achieve and maintain – particularly in the small and medium operator space – giving Mirada a strong competitive advantage as we look to capitalise on improving trading conditions post-pandemic.

Alongside the increased business from izzi Telecom – both for our Android TV platform and in enhancing its legacy Linux technology – we made good progress in delivering products and services across the rest of our customer base. Uptake of our products for Viya and OneComm in the US Virgin Islands and Bermuda respectively (both owned by ATNi) continues to be healthy.

In Spain, Zapi subscribers grew by 22% in the period, and we anticipate a boost in those numbers with the addition of new content provider integrations as the company pursues its super-aggregation strategy in partnership with us.

I am pleased to report that after the pandemic impacted the pace of subscriptions for Skytel in Mongolia, we have seen a resumption of more normal deployment levels of our over-the-top (OTT) service (SkyGo), which at 30 September had been accessed by almost 340 000 users. It is a similar story at Digital TV Cable Edmund in Bolivia, where activity has resumed with an expectation for sustained growth in the next calendar year.

Moving forwards, with industry trends continuing to evolve in our favour and through being able to bring one of the best products available to market through new and improved sales channels, assuming the recovery from Covid continues we are confident of being able to announce important new wins in the not-too-distant future. Geographically, new business momentum continues to build in Latin America, while Southeast Asia has emerged as a substantial growth opportunity with talks ongoing across several prospects.

I would like to take this opportunity to again thank our staff for their hard work, dedication and acumen through what has been an extremely busy period for us. The volume and scale of opportunities we have before us is genuinely unprecedented and the ways of working we have adopted are still relatively new. I am proud of how everyone at Mirada has bought into what we are trying to achieve, demonstrating exceptional adaptability and commitment, and am grateful for their efforts. I would also like to thank our shareholders, partners and customers for their continued support.

Funding Requirements

On 27 September 2021, the Company announced the extension from €1.3m to €3.0m of the facility granted by a related party, of which €1,47m was utilised at 30 September 2021. The facility is being provided by Leasa Spain, S.L.U. ("Leasa" or the "Lender"). The Lender is incorporated in Spain and ultimately owned by Mr Ernesto Luis Tinajero Flores who has a total beneficial interest in 87.21% of Mirada's share capital. The term of the Facility has been extended until 30 November 2022 ("Maturity Date"), although the Company retains the option to repay any drawn amounts earlier.

Financial Overview

Revenue from activities was \$5.99 million for the six months to 30 September 2021 (H1 FY21: \$5.47 million), a \$0.52 million increase on the same period last year largely due to a significant increase in licences and Android TV uptake from the Group's largest customer, izzi Telecom.

In H1 FY22, our largest customer represented 79% of total revenues (H1 FY21: 67%). The higher weighting is predominately due to izzi Telecom purchasing an increased number of licences as its business has grown versus the impact of Covid on new customers. The Board expects that the proportion of revenue from this customer will remain at high levels, however it should reduce as contributions from anticipated new customers grow.

EBITDA increased \$0.55 million to \$1.12 million (H1 FY21: \$0.57 million). EBITDA in this context is defined as earnings before interest, tax, depreciation, amortisation and share-based payments. The main driver of the increase is the \$0.52m revenue growth, mentioned above. Other Administrative Expenses are flat, however, excluding the 5% devaluation of the US Dollar against the Euro in the period, the reduction in Other Administrative Expenses, at constant foreign exchange rates, was \$0.23 million (5%).

Loans and borrowings increased by \$1.07 million to \$8.25 million (31 March 2021: \$7.18 million). Of these facilities, long-term debt included \$1.84 million of bank loans and \$0.93 million of zero-interest loans from Spanish Government entities. Short-term debt included \$1.75 million from the Leasa facility, \$1.71 million short-term credit lines, \$0.65 million bank loans, \$0.37 million short-term zero-coupon loans from Spanish Government entities, and \$1.01 million invoice factoring facilities. Cash and cash equivalents increased to \$0.54 million at the end of the period (31 March 2021: \$0.11 million). Net Debt increased to \$7.71 million (31 March 2021: \$7.07 million). The main driver for the increase is a \$1.12m utilisation of the facility with Leasa, owned by the Company's largest shareholder.

Outlook

While Covid effectively brought new business to a halt and curtailed existing customer investment into Mirada products and services, it forced us to rethink many of our working practices and accelerated plans to optimise the operations of the business. Now, although we appear to be emerging from the worst of the pandemic, those changes will continue to benefit Mirada.

At the same time, markets are returning to normal and with them the number of opportunities with prospective and existing customers are increasing. Lead times for the types of significant deals we are pursuing can be long and unpredictable, but it has been some time since our pipeline has been this healthy, and the interactions our sales team are having with targets on a daily basis give us real cause for optimism.

As we move through the second half, we expect to see the same positive market trends that built up a head of steam in the first half to continue. We are working on several potentially lucrative opportunities, we have a differentiated product that opens up revenue opportunities for digital TV operators and broadcasters in ways that few others can, and we have a robust and efficient organisational infrastructure geared up to support our growth ambitions.

While we remain cognisant of the fact Covid isn't going away anytime soon and still has the potential to cause further disruption in ways that are hard to predict, we have demonstrated our resilience to

date and, on our current trajectory, we are confident in our ability to deliver a year of material commercial and strategic progress.

Jose Luis Vazquez
Chief Executive Officer
2 December 2021

Consolidated Income Statement

	6 months ended 30 September 2021 (Unaudited) \$000	6 months ended 30 September 2020 (Unaudited) \$000
Revenue	5,992	5,471
Cost of sales	(369)	(186)
Gross profit	5,623	5,285
Depreciation	(168)	(180)
Amortisation	(2,037)	(1,897)
Other administrative expenses	(4,499)	(4,433)
Total administrative expenses	(6,704)	(6,511)
Operating profit/ (loss)	(1,081)	(1,226)
Finance income	-	37
Finance expense	(124)	(113)
Foreign currency translation differences	(11)	(286)
Profit/(loss) before taxation	(1,216)	(1,588)
Taxation	(48)	62
Profit/(Loss) for period	(1,264)	(1,526)

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

Consolidated statement of comprehensive income

	6 months ended 30 September 2021 (Unaudited) \$000	6 months ended 30 September 2020 (Unaudited) \$000
(Loss)/profit for the period	(1,264)	(1,526)

Other comprehensive loss:		
Currency translation differences	(31)	691
Total other comprehensive profit/(loss)	(31)	691
Total comprehensive (loss)/profit for the year	(1,295)	(835)

Consolidated statement of financial position

	At 30 September 2021 (Unaudited) \$000	At 31 March 2021 (Audited) \$000
Goodwill	5,371	5,435
Other Intangible assets	7,122	7,314
Right of use assets	218	343
Property, plant and equipment	191	223
Other Receivables	523	354
Non-current assets	13,425	13,669
Trade receivables	4,427	4,856
Cash and cash equivalents	538	107
Current assets	4,965	4,963
Total assets	18,390	18,632
Loans and borrowings	(2,025)	(1,774)
Related parties loans and interests	(41)	(3)
Trade and other payables	(2,245)	(2,234)
Contract liabilities	(1,070)	(973)
Lease liabilities	(99)	(204)
Current liabilities	(5,480)	(5,188)
Net current assets	(515)	(225)
Total assets less current liabilities	12,910	13,444
Related parties loans	(1,709)	(586)
Interest bearing loans and borrowings	(4,475)	(4,815)
Lease liabilities	(123)	(145)
Non-current liabilities	(6,307)	(5,546)

Total liabilities	(11,787)	(10,734)
Net assets	6,603	7,898
Issued share capital and reserves attributable to equity holders of the company		
Share capital	12,015	12,015
Merger reserve	4,863	4,863
Foreign exchange reserves	13,730	13,761
Accumulated loss	(24,005)	(22,741)
Equity	6,603	7,898

Consolidated statement of changes in equity

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

	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2020	12,015	-	13,423	4,863	(19,749)	10,552
Profit for the period	-	-	-	-	(1,526)	(1,526)
Other comprehensive income						
Movement in foreign exchange	-	-	691	-		691
Total comprehensive loss for the period	12,015	-	14,114	4,863	(21,275)	9,717
Transactions with owners						

Share based payment	-	-	-	-	-	-
Balance at 30 September 2020	12,015	-	14,114	4,863	(21,275)	9,717

Consolidated statement of cash flows

	6 months ended 30 September 2021 (Unaudited) \$000	6 months ended 30 September 2020 (Unaudited) \$000
Cash flows from operating activities		
Loss after tax	(1,264)	(1,526)
Adjustments for:		
Depreciation of property, plant and equipment	168	180
Amortisation of intangible assets	2,037	1,897
Finance income	-	(37)
Finance expense	124	113
Foreign currency translation differences	11	-
Taxation	48	(62)
Operating cash flows before movements in working capital	1,124	565
Decrease in trade and other receivables	260	595
Increase/(decrease) in trade and other payables	20	(507)
Interest paid	(4)	(7)
Taxation paid	(227)	(144)
Net cash generated from operating activities	1,173	502
Cash flows from investing activities		
Interest and similar income received	-	37
Purchases of property, plant and equipment	(1)	(47)
Purchases of other intangible assets	(1,872)	(2,122)
Net cash used in investing activities	(1,873)	(2,132)
Cash flows from financing activities		
Interest and similar expenses paid	(119)	(106)
Payment of principal on lease liabilities	(135)	(121)
Loans received	400	3,555
Related parties loans received	1,302	-
Repayment of loans	(517)	(1,410)
Net cash from financing activities	931	1,918
Net increase in cash and cash equivalents	231	288

Cash and cash equivalents at the beginning of the period	107	185
Exchange losses on cash and cash equivalents	200	79
Cash and cash equivalents at the end of the year	538	552

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

1. Basis of Preparation

These interim financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 March 2021 Annual Report. These interim financial statements have not been audited nor have they been reviewed by the Group's auditors under ISRE 2410 of the Auditing Practices Board. The financial information for the 6 months ended 30 September 2021 and 30 September 2020 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The annual financial statements of Mirada plc are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The comparative financial information for the year ended 31 March 2021 included within this report does not constitute the full statutory Annual Report and Financial Statements for that period. The statutory Annual Report and Financial Statements for the year to 31 March 2021 have been filed with the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statements was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498 (2) or 498 (3) of the Companies Act 2006.

The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 March 2021 and are those which will form the basis of the 2022 financial statements.

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

New and amended accounting standards and interpretations

On 12 February 2021 the IASB issued an amendment to IAS 1 concerning accounting policy disclosures, and an amendment to IAS 8 concerning the definition of accounting estimates. On 7 May 2021 the IASB issued an amendment to IAS 12 concerning deferred tax related to assets and liabilities arising from a single transaction. The Company does not expect any material impact from the application of these two amendments, which are effective for annual reporting periods beginning on or after 1 January 2023. The Company will not early adopt these amendments.

On 23 January 2020 the IASB issued 'Classification of Liabilities as Current or Non-current', an amendment to IAS 1. On 14 May 2020 the IASB issued 'Reference to the Conceptual Framework', an amendment to IFRS 3; 'Proceeds before Intended Use', an amendment to IAS 16; 'Onerous Contracts – Cost

of Fulfilling a Contract', an amendment to IAS 37; and 'Annual Improvements to IFRS standards 2018-2020'. The Company does not expect a material impact from those amendments, which are effective for annual reporting periods beginning on or after 1 January 2022. The Company will not early adopt these amendments.

The Board of Directors approved this interim report on 2 December 2021.

2. Use of judgements and estimates

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

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

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

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

	6 months ended 30 September 2021 (Unaudited) \$000	6 months ended 30 September 2020 (Unaudited) \$000
Operating loss	(1,081)	(1,512)
Depreciation	168	180
Amortisation	2,037	1,897
Operating profit before interest, taxation, depreciation and amortisation (EBITDA)	1,124	565

4. Earnings per share

	6 months ended 30 September 2021 (Unaudited)	6 months ended 30 September 2020 (Unaudited)
Loss for period	\$(1,264,059)	\$(1,525,623)
Weighted average number of shares	8,908,435	8,908,435
Basic earnings per share	\$(0.142)	\$(0.171)

Diluted earnings per Ordinary Share equals basic earnings per Ordinary Share as, due to the losses incurred in the six months to 30 September 2021 and six months to 30 September 2020, there is no dilutive effect from the subsisting share options.

Adjusted earnings per share

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

	6 months ended 30 September 2021 (Unaudited)	6 months ended 30 September 2020 (Unaudited)
Adjusted EBITDA	\$1,124,292	\$564,793
Weighted average number of shares	8,908,435	8,908,435
Basic adjusted EBITDA per share	\$0.126	\$0.063

Diluted adjusted earnings per Ordinary Share equals basic adjusted earnings per Ordinary Share as, due to the losses incurred in the six months to 30 September 2021 and six months to 30 September 2020, there is no dilutive effect from the subsisting share options.

The total number of outstanding share options over new ordinary shares on 30 September 2021 was 41,483 (41,483 at 30 September 2020).

5. Revenue from contracts with customers

Disaggregation of revenue

6 months ended 30 September 2021	Development	Licenses	Managed services	Total
	\$000	\$000	\$000	\$000
Mexico	1,922	2,127	697	4,746
Europe	231	73	160	464
Other Americas	121	576		697
Asia	52		33	85
	2,326	2,776	890	5,992

Revenue recognised over a period	1,779	2,703	812	5,294
Revenue recognised at a point in time	547	73	78	698
	<u>2,326</u>	<u>2,776</u>	<u>890</u>	<u>5,992</u>

**6 months ended
30 September 2020**

	Development	Licenses	Managed services	Total
	\$000	\$000	\$000	\$000
Mexico	1,946	1,031	695	3,672
Europe	574	442	44	1,060
Other Americas	261	410	-	671
Asia	43	-	25	68
	<u>2,824</u>	<u>1,883</u>	<u>764</u>	<u>5,471</u>
Revenue recognised over a period	2,581	1,373	748	4,702
Revenue recognised at a point in time	<u>243</u>	<u>510</u>	<u>16</u>	<u>769</u>
	2,824	1,883	764	5,471

Our largest customer represented 79% of total revenues (H1 2020: 67%). The higher weight is due to a combination of increased licences from our largest customer. The Board expects that the proportion of revenue from this customer will remain at high levels, however it should reduce as contributions from new customers grow.

6. Related party transactions

On 27 September 2021, the Company agreed an increase from €1.3 million to €3.0 million of the credit facility granted by Leasa Spain, S.L.U. The term of the Facility has also been extended by 12 months and now expires on 30 November 2022, although the Company retains the option to repay any drawn amounts earlier. The Board of Mirada considered it prudent to extend the maturity date in order to provide cashflow flexibility.

7. Cautionary statement

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

8. Other

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