THE ULTIMATE VIEWING EXPERIENCE

ANNUAL REPORT AND ACCOUNTS 2020

COMMON ACRONYMS

- **AMS** - Asset Management System
- **CMS** - Content Management System
- **DTH** - Direct-to-Home / Satellite transmission
- **IPTV** - Internet Protocol Television
- **OTT** - Over-the-top
- **SaaS** - Software as a Service
- **SDP** - Service Delivery Platform
- **STB** - Set-top box
- **SVoD** - Subscription Video on Demand
- **TVoD** - Transactional Video on Demand
- **UI** - User Interface
- **UX** - User Experience
- **VoD** - Video on Demand

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EXECUTIVE MANAGEMENT

JOSÉ LUIS VÁZQUEZ
CEO

Founder and Chief Executive Officer of Mirada PLC and the Chairman of Spanish Association of Interactive Technology Companies (AEDETI). He holds a degree in Advanced Telecommunications Engineering and an MBA from IESE Business School.

GONZALO BABÍO
CFO

Prior to joining Mirada in 2015 as the Chief Financial Officer, he worked as Finance Director for both The Walt Disney Company (10 years) and Electronic Arts (10 years). He holds an EMBA from IESE Business School, among other titles.

JOSÉ GOZALBO
CTO

José has been Chief Technology Officer of Mirada since its creation. He holds a degree in Computer Science and he has in depth experience in Software Development and Digital TV markets.

ANTONIO RODRÍGUEZ
VP BUSINESS DEV.

He joined Mirada from Jazztel PLC, where he held the roles of Network Engineering Manager and Telco Platforms and OSS Manager. He holds a BSc in Telecommunications Engineering and an MBA from IE Business School.

NURIA LAHUERTA
VP HUMAN RESOURCES

Nuria joined Mirada in 2011 as Office Manager until finally becoming VP Human Resources and the first female to join Executive Management. She studied History of Art at Zaragoza University and a Masters in Innovative HR Management.

ROSZANA DALATI
VP MARKETING

Roszana joined Mirada as Marketing Manager before forming part of Executive Management in 2017. She holds a degree in International Relations and a Masters in Strategic Management of Sales & Marketing from IE Business School.

JAVIER PEÑÍN
VP SALES

His previous experience includes working at AUNA during the launch of Spain's first digital cable TV platform. He also worked as Senior Sales Manager in Telefonica and as Global Sales Manager at ADB. He holds a BSc in Telecoms Engineering and BMD from IESE.

SANTIAGO RODRÍGUEZ
VP PRODUCT

Graduated in Telco Engineering from the Polytechnic University of Madrid, Santiago joined Mirada back in 2000. He has broad R&D experience within the audiovisual industry and he is responsible for the definition of Mirada's vision and products.

ABOUT MIRADA

Mirada PLC is an AIM-quoted leading provider of products and services for global Digital TV operators and broadcasters. Founded in 2000 and led by Group CEO José Luis Vázquez, Mirada's core focus is on the ever-growing demand for "TV Everywhere" for which it offers a range of software products, notably the Iris multiscreen platform, acclaimed by clients for its incomparable flexibility and optimal time to market.

Mirada prides itself on being a global pioneer in Digital TV technology

Since its establishment more than twenty years ago, Mirada's products and solutions have been deployed by some of the biggest names in broadcasting including Telefonica, Sky, Virgin Media, BBC, ITV and Televisa, the largest media company in the Spanish-speaking world. Mirada has also established partnerships with key players in the Digital TV world, along with integrations with content providers such as Netflix, HBO, Fox and more to come.

The Company prides itself on being a pioneer in Digital TV technology. Following the success of Televisa's izzi platform powered by Iris, Mirada's growing pipeline of opportunities is currently the greatest the company has ever seen.

PRESENCE AROUND THE WORLD

OUR SOLUTION

We serve companies looking to launch a new video service to reap the rewards of the growing desire for content:

- Telcos
- Pay TV Operators
- Broadcasters
- Content owners

We help our customers tackle challenges by providing them with:

CHALLENGE	PROPOSAL
COMPETITIVE MARKET	A quality multiscreen user experience to attract, engage, retain and grow subscriber base.
USER EXPECTATIONS	An unparalleled platform with advanced features, constant integrations of devices and third-parties.
LIMITED EXPERTISE	Our experience and product portfolio to receive and respond to a valuable, data-driven vision.
PLANNING DIFFICULTIES	Our forward-thinking vision and future-proof product roadmap to keep at the cutting-edge.
INITIAL INVESTMENT	A choice of flexible business models to suit our customers' specific business needs.

OUR PARTNERS

and more

OUR CLIENTS

and more

"The most beautiful, smooth and user-friendly TV interface I have ever interacted with"

"The technology that powers izzi's multiscreen platform is the most advanced in the entire region"

CARLOS SOARES

PROJECT MANAGER

GUILLERMO SALCEDO

DIRECTOR OF MARKETING

OUR PRODUCTS

IRIS | THE ULTIMATE VIEWING EXPERIENCE

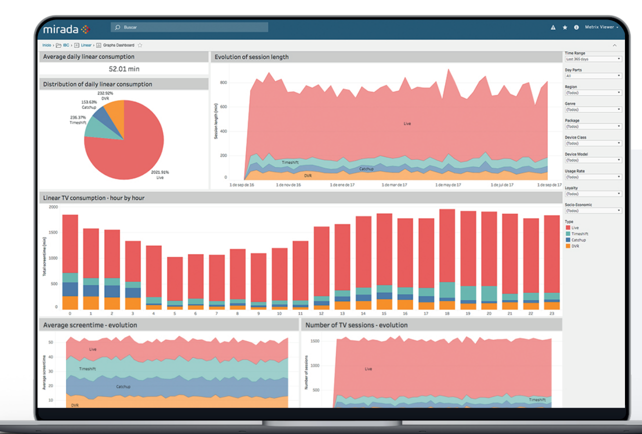
IRIS MULTISCREEN SOLUTION | Our Iris multiscreen solution provides pay TV operators, telcos, content providers and broadcasters with a next-generation video platform to deliver live, catch up and on-demand content to audiences anytime and anywhere. Iris empowers Mirada's clients with a personalised and intuitive user experience across all devices to attract, engage and retain audiences and maximise consumption-based revenues.

The cost-effective, end-to-end software solution comes with an integrated set of advanced applications and modules, including our Iris Inspire UI, Iris SDP and Iris CMS, to provide a flexible and universal DTH/IPTV/OTT solution that is easy to deploy, customise and extend.

Iris is supported across all major devices to help customers satisfy the demands of an increasingly connected and multiscreen world:

IRIS CUSTOM LAUNCHER FOR androidtv

Our custom launcher for Android TV Operator Tier is our Iris-based proposal for operators looking to serve growing consumer demands for a connected home experience with easy access to third-party content apps, while maintaining a high quality and customised TV service.

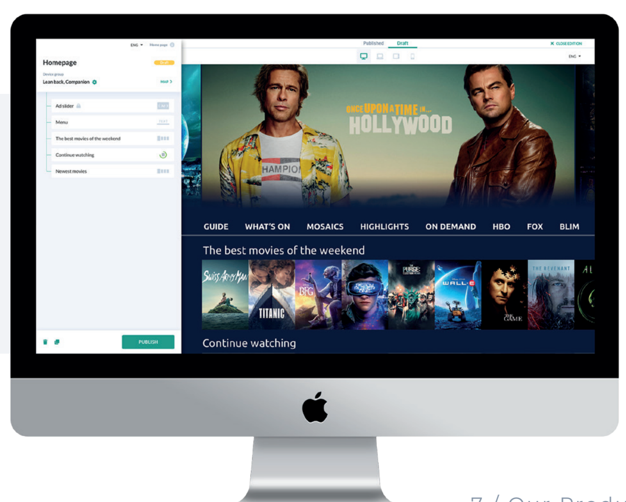


logIQ

Our powerful data intelligence platform, LogIQ, arms our clients with valuable consumption, navigational and operational insights into their Iris-powered TV service to make better, data-driven decisions.

UXevolver

A highly flexible and easy to use tool to provide our clients with the ability to adapt, test and evolve elements of their user experience to suit changing consumption habits.



OUR STRATEGY

OUR STRATEGY FOCUSES ON FOUR KEY AREAS

MARKET STRATEGY

Mirada has identified a number of target geographies where it is fully focused on developing its presence. These markets display promising characteristics such as high pay TV penetration rates, increasing popularity of multiscreen viewing and high annual growth rates of on-demand video services, along with burgeoning middle classes providing rapid growth in consumer spending.

PRODUCT STRATEGY

Our market leading digital TV products have been designed to future-proof the platforms of operators and broadcasters worldwide, by dramatically improving their user experience with cutting-edge features for content discovery and compatibility across all platforms and devices. This enables us to fully satisfy the increasing number of operators with a bring-your-own-device strategy, while also providing them with a roadmap and vision for the future.

SALES STRATEGY

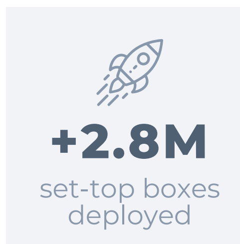
We have recently boosted our sales and marketing resources to take full advantage of the augmented interest in our offerings following the successful high-profile deployment of our flagship product with Tier 1 operator izzi Telecom. We offer our products worldwide and we benefit from an increased pipeline of opportunities through a direct relationship with customers, for whom we are a partner for growth.

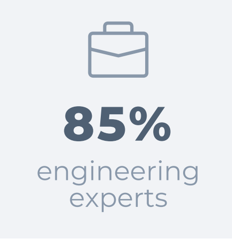
BUSINESS MODEL STRATEGY

Our business model has been developed to meet the needs of all operators, providing a choice between a CAPEX model where they will have higher set-up fees and one-off subscriber licence fees, or a SaaS model which means lower set-up fees but recurring monthly subscriber fees.

MIRADA IN NUMBERS

FACTS ABOUT OUR COMPANY





OUR TARGET MARKET

The global pay TV market is one of the largest industries in the world with subscribers expected to grow by 35 million between 2019 and 2025 to reach 1.06 billion. However, due to the huge advancements in technology, changing consumer lifestyles and the arrival of OTT competitors, pay TV revenues are set to peak. As a result, traditional operators are looking for new ways to enhance their existing propositions to keep subscribers engaged and protect their market position.

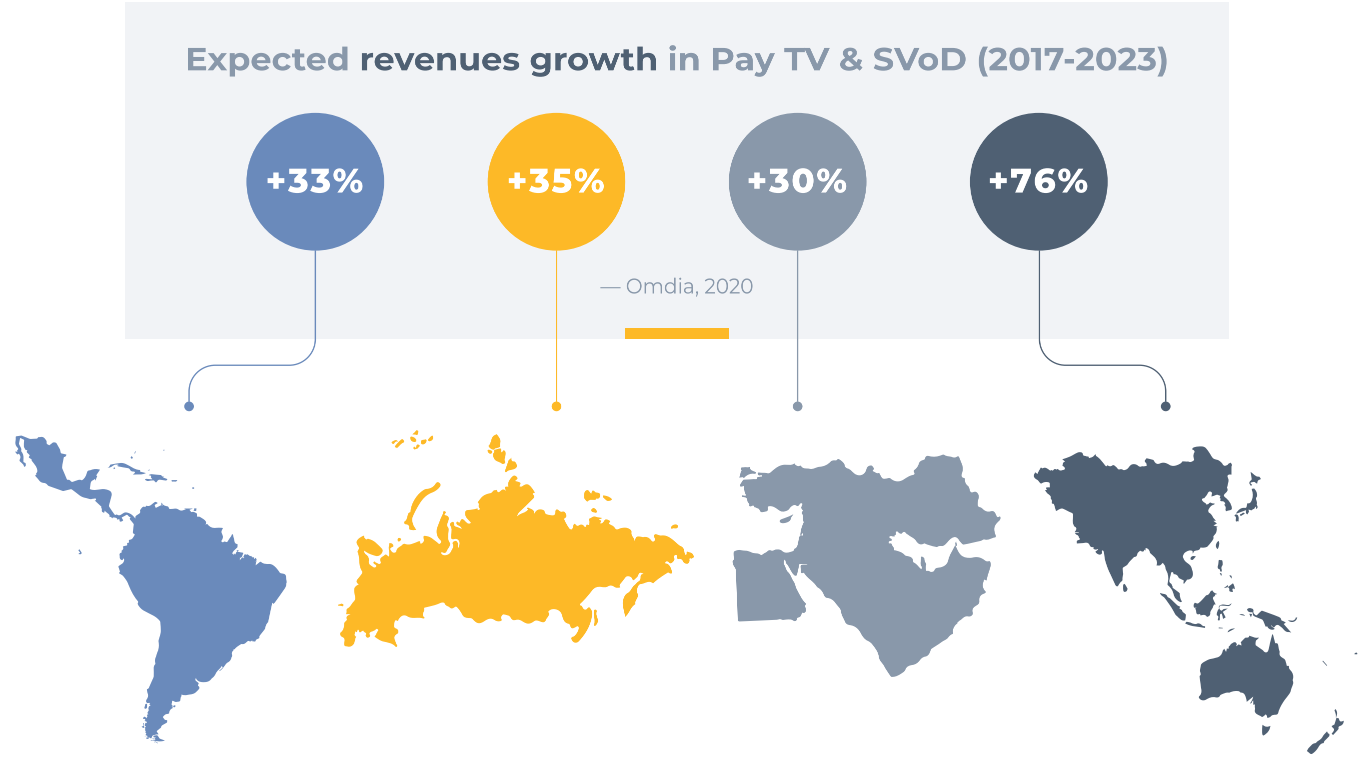
Total revenues in our target markets are forecast to grow by over 60% between 2017 and 2023 to reach $122 billion

— Omdia, 2020

Many traditional operators are turning their attention towards IPTV delivery or enhancing their existing TV proposition with OTT features. These platforms allow operators to deliver content anytime and anywhere across increasingly popular connected devices such as smart TVs, media streaming devices and game consoles. Other operators are also turning towards Android TV Operator Tier to offer their viewers a next generation TV service along with all the benefits of the Android environment and access to third-party content.

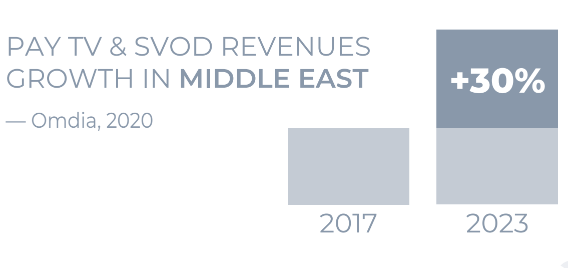
We pursue opportunities all around the world, with particular focus on the following regions of high growth:

- Latin America
- Eastern Europe
- Middle East
- Asia Pacific



MIDDLE EAST

Pay TV and SVoD revenues between 2017 and 2023 in the Middle East are expected to grow by 30% to reach just over $3 billion (Omdia, 2020). At the same time, the growing demand for richer, on-demand video services from consumers in the region is encouraging operators to find new ways to enhance their existing proposition and grow their customer base by forming partnerships with third-party OTT providers or introducing their own OTT services. Mirada's Iris technology is well-positioned to empower operators with an advanced TV platform to provide live and OTT content with a quality viewing experience for consumers. With Mirada's custom launcher for Android TV, audiences can easily access third-party applications such as Netflix and Disney+, as well as and local OTT providers such as Starz Play through Google Play Store.



LATIN AMERICA

The Latin American market continues to see strong pay TV and SVoD growth, with revenues expected to grow by 33% between 2017 and 2023 to reach over $20 billion. With the growing popularity of online TV and SVoD video services such as Netflix, OTT TV and video revenues in Latin America are expected to reach $66 million in 2025, up from $36 million in 2019. Traditional pay TV operators in Latin America are looking to launch their own OTT offerings to appeal to content-hungry audiences. However, they face the hurdle of less-than-flexible development environment for set-top boxes. Our Iris custom launcher for Android TV helps put operators on the same footing as pure OTT providers, as it allows them to personalise their platform, prioritise their own content and provide an engaging and attractive user experience to appeal to audiences.

EASTERN EUROPE

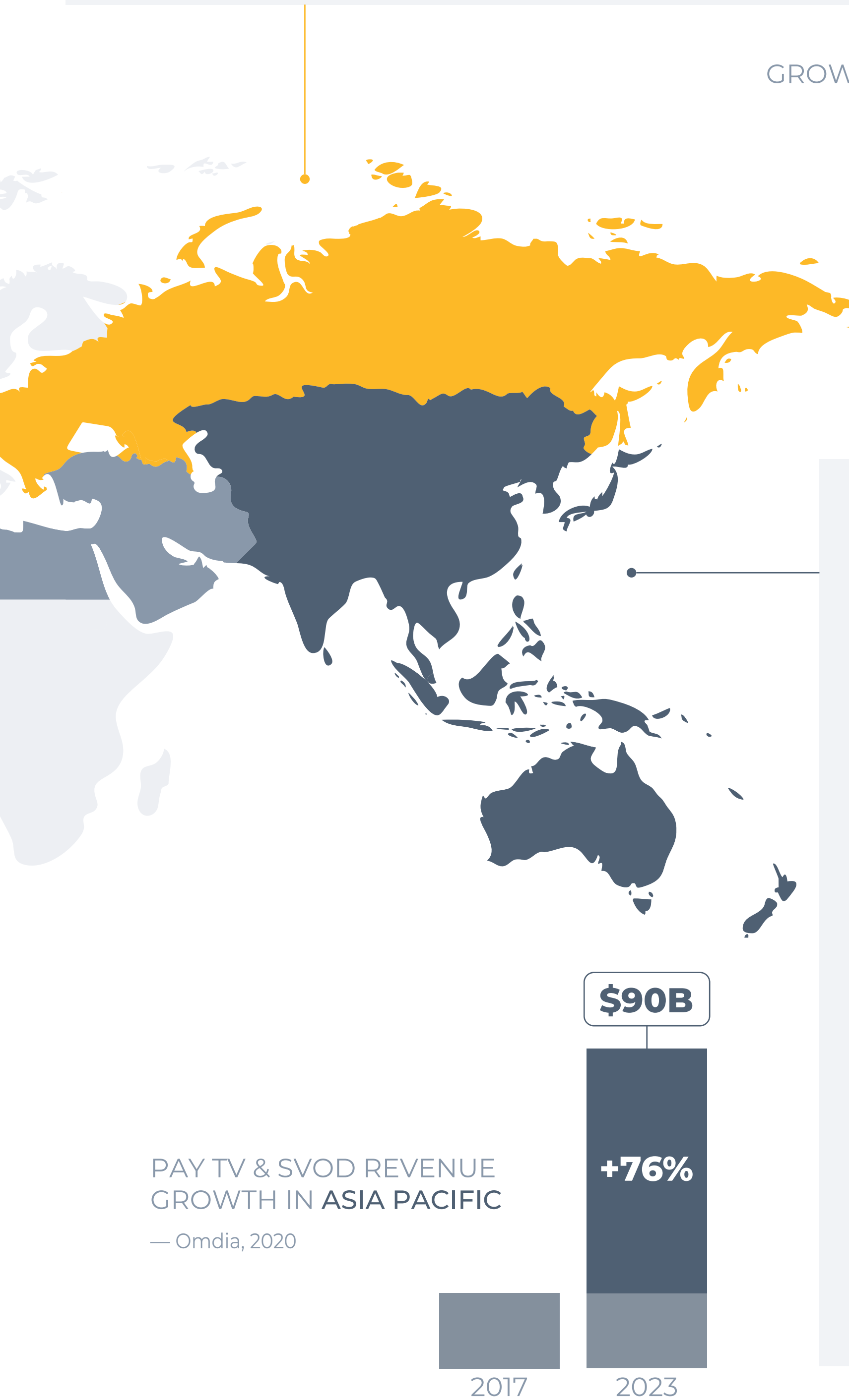
Pay TV and SVoD revenues in Eastern Europe are expected to grow by 35% between 2017 and 2023 to reach almost $10 billion (Omdia, 2020). The territory is expected to have over 26 million SVoD subscriptions by 2024, up from 10 million recorded at the end of 2018 (Digital TV Research, 2020). With the growing popularity of SVoD services, along with Netflix actively seeking new partnerships with pay TV operators in the region, customers are increasingly demanding an “entertainment hub” to access all of their favourite content from their different subscriptions in one place. Mirada’s Iris multiscreen solution facilitates operators in the region with the ability to become the content aggregator and drive engagement by providing a quality video platform with the ability to integrate third-party content apps.

GROWTH OF SVOD SUBS IN EASTERN EUROPE

— Digital TV Research, 2019

ASIA PACIFIC

With pay TV and SVoD revenues expected to grow by 76% between 2017 and 2023 to reach almost $90 billion (Omdia, 2020), Asia Pacific is the fastest growing pay TV market in the world. The region expects to see subscription OTT revenues reach $19.9 billion by 2024 (S&P Global, 2020). The huge appeal amongst consumers of a TV anywhere concept means it is crucial for operators to provide a unified multiscreen experience to deliver all types of content, and the ability to track and manage their service and audiences across all devices. Mirada’s Iris technology serves operators with an advanced TV platform with seamless cross-device interactivity, along with LogIQ, Mirada's data intelligence platform, to provide valuable insights into consumption, operational and navigational aspects of their video service.



PAY TV & SVOD REVENUE GROWTH IN ASIA PACIFIC

— Omdia, 2020

HIGHLIGHTS OF THE YEAR

IZZI CONTINUES TO GROW

With our largest client, izzi, the use of Mirada's Iris technology continues to grow rapidly, with more than 2.8 million set-top boxes deployed at the end of the fiscal year in approximately 1.5 million households. More than 1 million households are now using izzi's OTT service as well, supplied by Mirada's technology, on smartphones and web browsers. During the year, Mirada has also been focused on deploying many new features for izzi, including navigational analytics and addressable advertising to further enrich their service, in addition to preparing for the upcoming launch of Android TV across izzi's service, which is expected to become the largest Google-based set-top box deployment in the Americas to date.

NETFLIX INTEGRATION

Earlier this year, we were delighted to announce the integration of Netflix, the world's leading entertainment service, with our Iris multiscreen technology. With this integration, all of Mirada's clients that have an agreement with Netflix now have the option to provide their customers with access to the streaming giant's on-demand service directly from Iris-powered set-top boxes. This provides operators with an excellent opportunity, as facilitating access to catalogues of popular content such as the award-winning "Stranger Things" helps to attract and retain more loyal subscribers and keep them active and consuming content within their platform. The first operator to take advantage of Mirada's integration with Netflix was izzi, which introduced Netflix across its service in July 2019.

HIGHLIGHTS OF THE YEAR

CONTRACT WIN IN SPAIN FOR "ZAPI"

In September, we secured a new contract with Plataforma Multimedia de Operadores (PMO), a group of independent telecommunication suppliers in Spain. The contract will see the launch of a new OTT platform, Zapi, to unify the historic cable industry and their subscribers under the same brand and to become the fourth TV platform in Spain. Since the contract win, we have been working hard to finalise the integration activities and we hope to launch commercially in the very near future. Mirada attended a very successful trade event with PMO in the South of Spain in October where we showcased our OTT technology to large crowds to attract more independent suppliers to the Zapi brand.

UPDATE ON OTHER PROJECTS

Our client and one of Mongolia's leading mobile and IPTV service providers, Skytel, saw a much larger than anticipated adoption of their OTT service facilitated by Mirada's technology. The expectations of our client for the first year was to reach less than 10,000 customers. However, in under nine months, Skytel was providing their OTT service to more than 280,000 subscribers. The SkyGo applications for mobiles both reached number one for the most downloads in the country in both the Google Play Store and Apple's App Store.

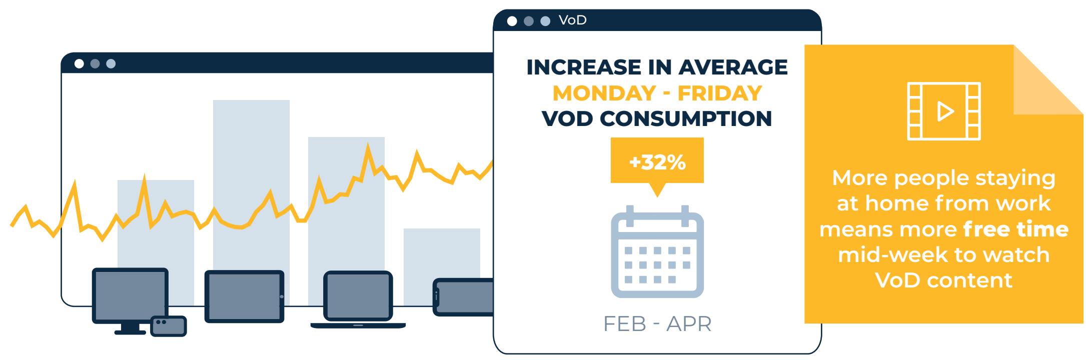
Regarding ATNi, our Atlanta-based client, we deployed our Iris technology into their Bermuda cable network, One Communications, where our solution now covers the vast majority of households. Mirada is now focused on the deployment in Viya, a leading operator in the US Virgin Islands, which is expected to launch in the upcoming weeks.

As for Digital TV Cable in Bolivia, the client had to solve internal technical problems before the initial launch of their pay TV service back in April 2019, and we continue providing support to their operations while they work to fully deploy the rest of their pay TV service. This year we also announced the first certifications of our Smart TV technology and Roku-based services for Digital TV Cable.

HIGHLIGHTS OF THE YEAR

INCREASE IN CONSUMPTION DURING COVID-19

Regarding COVID-19, the whole company transitioned to remote-working and has been performing without incident since the start of the lockdown. We have continued implementing and deploying new product features as planned, without delays, and we do not foresee any operational constraints for the time being. During the global pandemic, our clients have seen an exceptional increase in demand for their services owing to generalised lockdowns in their territories. Our data analytics platform, LogIQ, noted an increase of 24% in total linear consumption between February and April, with an 80% increase in consumption of linear news channels. The data also revealed a 41% increase in total VoD consumption, with a staggering 122% increase in consumption of VoD kids' content. Our clients also saw a 41% increase in the number of purchases of TVoD content between February and April, boosted by operators' generous discounts on premium content, implemented by Mirada.

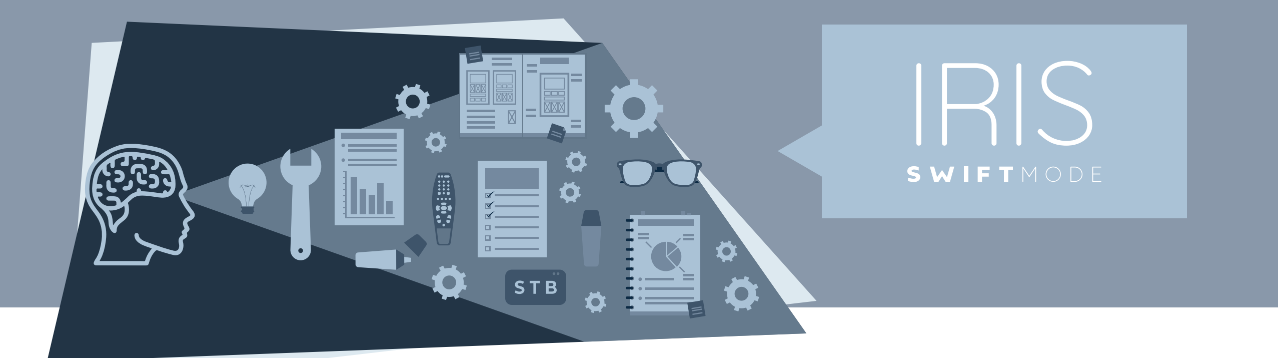


POST-YEAR END

LAUNCH OF IRIS IN SWIFT MODE

The swift way to launch a new video service

Post-year end, Mirada announced a new comprehensive and affordable SaaS business model, Iris in Swift Mode, to reach more potential clients including operators, telcos, broadcasters and content owners. Clients of Swift Mode will be able to deploy and benefit from a highly competitive, cloud-based video service, while reducing the time-to-market and avoiding high upfront costs, without jeopardising the quality cross-screen user experience for increasingly demanding customers. Mirada has plans to launch an extensive marketing campaign in the upcoming months to boost our pipeline of opportunities with Swift Mode.



OVERVIEW

We present the Group's financial results for the year ended 31 March 2020. The year ended during a global pandemic, which is still with us today and continues to have devastating effects across the world. Our thoughts and prayers are with all those affected.

For Mirada, even discounting the one-off effect of the disposal of the non-core parking payment activities of Mirada Connect, last year saw a significant improvement financially, operationally, and commercially. Despite having incurred an operating loss of $1.36m (2019: $2.91m), the Company's performance has dramatically improved over the past 12 months, with remarkable growth in adjusted EBITDA. Operationally, the Group has been able to augment itself to fully deploy its flagship Iris solution across different markets. Commercially, Mirada has benefited from the references provided by its prior successful deployments, which have reinforced the Group's presence and credibility in the market.

The main highlights for the year were the integration with Netflix, our new contract win with PMO (Plataforma Multimedia de Operadores) in Spain, and the sale of Mirada Connect, among others. These provide further proof of the quality of our solution and are important steps forward in achieving a greater market footprint and solid financial stability. In addition, we have a growing proportion of recurrent revenues from present customers, and confidence that our operational skills will enable us to continue to deliver for our customers. We therefore view the year ahead with cautious optimism, despite the uncertainties of the present health and economic environment.

TRADING REVIEW

This was the first year the Group's sole focus was on its main area of business, the Digital TV sector. In July, the mobile payments for parking division, Mirada Connect, was acquired by PayByPhone, a subsidiary of Volkswagen Financial Services, for a consideration of £2.12 million, representing a one-off gain in profit of approximately $1.7 million for the Group. This was an important and positive development for the Company, allowing it to reinforce the balance sheet and to focus the management on the core Digital TV business. Mirada's main product, the Iris platform, continued to gain traction across its installed customer base and the Company was successful in winning new customers during the year. The Company has continued deploying its business model, to benefit from the growth of its customers, and we are pleased to see how our customer's subscriber bases using Mirada's products continue to grow.

Within our largest customer, izzi telecom, based in Mexico, the use of our technology continues to grow rapidly, with more than 2.8 million Linux-based set-top boxes (STBs) deployed at the end of the fiscal year in approximately 1.5 million households. Significantly, more than 1 million households are now using izzi's over-the-top (OTT) product (based on mobile devices and web browsers) supplied by Mirada. While the customer adoption of Mirada's products remains high, there is still a large part of izzi's installed base to cover, as it has in excess of 4.2 million pay TV customers, representing more than 8 million STBs, and our expectation is that nearly two thirds of the installed base will still need to be replaced with Mirada's technology.

During the year, Mirada has also been focused on deploying the next-generation service at izzi, based on Android TV technology, which is likely to become the largest Google-based set-top box deployment in the Americas to date.

Regarding ATN International, our Atlanta-based customer with a footprint in the Caribbean and mainland US, we are happy to have delivered our solution in their Bermuda cable network, One Communications, where our solution now covers the vast majority of households. Mirada is now focused on the deployment in Viya, ATN Internationals'US Virgin Islands network, which will launch our product in the next few weeks.

"Last year saw a significant improvement financially, operationally and commercially"

Regarding Digital TV Edmund, in Bolivia, the customer is slowly solving internal technical problems that delayed the deployment of our solution, and we foresee those being resolved in the next few months. In the meantime, we continue providing support to their operations while they work to fully deploy their pay TV service. Within this customer we are glad to announce the first certifications of our Smart TV technology and our Roku based services.

We are also happy to report a much larger than expected adoption of Iris in SkyTel, our Mongolian customer. Our expectation was to have less than 10,000 of their customers subscribe to our services in the first year of operation. However, by the end of March, in less than nine months, the customer was providing our technology to more than 280,000 subscribers, and our mobile applications in Android and iOS were both number one for the whole country in the Google Play and Apple Store services.

We secured a new customer in September, Plataforma Multimedia de Operadores (PMO), in Spain, which, under the "Zapi" brand, aggregates a substantial number of subscribers across multiple independent telecommunication suppliers in the country. We have been working hard to finalise the integration activities since the contract win and, with integration and deployment timelines improving with each new customer we win, we hope to launch commercially in the next few weeks. Zapi has the potential to reach hundreds of thousands of customers in Spain, becoming our largest deployment of Iris in Europe to date.

The entire Group was able to transition to complete remote working practices at the beginning of March due to the outbreak of COVID-19, and we are satisfied to note that, more than three months into this new scenario, operations remain perfectly normal with no impact on our capability to deliver our products and services. Our customers, which are mostly telecommunications providers of TV services, have become even more invaluable to consumers and have experienced a unprecedented increase of nearly 25% in linear TV consumption and more than 40% for video ondemand (VoD) consumption. In addition, broadband usage has increased over 30% in our customers' networks. This increase in our customers' activities has made our visibility of revenues for the coming year much higher at this stage than in any other prior year. This lends us confidence in our abilities to continue our business without disruption over the coming months.

Our pipeline also remains strong, despite the difficult confinement and uncertain situation imposed by the COVID-19 pandemic, although we are conscious that, until the pandemic resides, there could be delays in decisions from new customers. Although our customers, and the sector at large, are currently benefiting from the sharp rise in demand for audiovisual and connectivity services, it is still too early to predict if the potential reduction in the purchasing power of consumers will have an overall negative impact in the telco and pay TV business.

As part of our SaaS strategy, Mirada has been able to agree long term contracts with key customers, with an increasing recurrent revenue component. This allows our customers to benefit from continuous product improvement and aligns their long-term growth objectives to ours, as we benefit from growth in their subscriber numbers. While it usually means a higher level of investment during the deployment stage, which is not being capitalised, it also provides Mirada with an improved medium and long-term return on investment. The efforts made during prior years on winning and deploying customers are now providing a higher level of recurrent revenue as well as visibility over future revenues. This is ultimately increasing our total turnover, reducing operational losses and allowing the Group to steadily approach a stage of sustained profitability.

"We are pleased to see how our customers' subscriber bases using Mirada's products continue to grow"

The Group continues to deliver high quality products for the audiovisual sector, and we are delighted with the growing relevance Mirada is enjoying in the market. There has been a substantial improvement in our EBITDA level, and the Board continues to believe that the Company is close to a point of sustained profitability. In these difficult times we are grateful to be working in a business that can continue providing quality experiences to millions of users, and we would like to express our sincere gratitude to our fantastic group of employees, customers, suppliers, partners and investors.

"Mirada has been able to agree long-term contracts with key customers with an increasing revenue component"

FINANCIAL OVERVIEW

Revenue grew to $13.16 million (2019: $12.32 million), a 7% year-on-year increase. Excluding Mirada Connect, which was sold in July 2019, revenue grew to $12.96 million (2019: 11.49 million), a 13% year-on-year increase. Growth in development revenue was $1.47million to reach $7.98 million for the year, driven by the customisation of the Android TV custom launcher for izzi Telecom.

Gross profit grew to $12.48 million (2019: $11.46 million) and operating losses reduced to $1.36 million (2019: $2.91 million). Staff Costs decreased by $0.46 million to $6.79 million (2019: $7.25 million) and other administrative expenses decreased by $0.20 million to $3.20 million (2019: $3.40 million). The improvement in revenues and the reduction in costs led to an adjusted EBITDA (as defined in Note 8) of $2.50 million (2019: $0.81 million). There is a tax credit recognised in the current period of $0.31 million (2019: $0.18 million) as a result of Mirada Iberia's research and innovation tax deductions. As a result, the net impact was the achievement of net profit for the year of $0.59 million (2019: loss of $3.11 million).

Net Debt increased to $5.05 million (2019: $4.86 million). Long term interest-bearing loans and borrowings increased by 40% to $2.40 million (2019: $1.72 million) and short term borrowings and related party loans and interest decreased to $2.85 million (2019: $3.26 million) - see note 20 for further details. Trade receivables increased from $1.89 million to $1.99 million, due to increased revenues and activity at the end of the fiscal year. A new €1.30 million credit facility was granted by Leasa Spain, S.L.U., owned by Mr. Ernesto Luis Tinajero Flores, who also owns 87.21% of the voting rights of Mirada plc.

Other intangible assets have increased by $0.78 million, mainly due to the development of our custom launcher for Android TV.

The Group generated $1.80 million of cash in operating activities in the year (2019: cash used in operating activities of $1.24 million), received $2.61 million from the disposal of Mirada Connect and spent a further $4.38 million (2019: $3.07 million) in investing activities. The operating and investing cash flows were funded by the movement in net debt explained above. This resulted in an increase in cash and cash equivalents of $0.06 million.

The General Meeting held on 10 September 2019 approved a 100 to 1 share consolidation. The total outstanding share options on 9 September 2019 was 4,148,316 (4,697,166 at 30 September 2018). Therefore, as of 31 March 2020, the total outstanding share options was 41,483.

The Company has adopted the following new accounting standards with effect from 1 April 2019:

IFRS 16- Leases

IFRIC 23 Uncertainty over Income Tax Treatments

Amendments to IFRS 9 Prepayment Features with Negative Compensation

Amendments to IAS 28 Long-term Interests in Ass ciates and Joint Ventures

Amendments to IAS 19 Employee Benefits

Annual Improvements to IFRS Standards 2015–2017 Cycle

See note 3 to the financial statements for further information on the new IFRS standards.

"Despite the uncertain impact of COVID-19, Mirada's financial position is continuously improving"

CURRENT TRADING & OUTLOOK

Mirada is focused on the Digital TV segment and is increasing its market reach, with a growing healthy pipeline of opportunities as a result of the successful deployment and a wide appraisal of its Iris multi-platform product for both Linux and Android TV solutions, and the integration of Netflix. The Company is now considered to be a top-end solution for potential customers, with a flexible model that allows audiovisual companies of any size to provide a competitive offering for their subscribers.

Despite the uncertain impact of COVID-19, Mirada's financial position is continuously improving, reinforced by the support of its largest shareholder. Together, these factors have led to an improved commercial performance, with participation in multiple deals, which, combined with the growing pipeline, provides confidence in the Company's ability to secure more contract wins in the coming years.

José-Luis Vázquez
CHIEF EXECUTIVE OFFICER
15th July 2020

BUSINESS MODEL

The Company's main activity is the provision of software for the Digital TV market ("Digital TV" segment), after the disposal in July 2019 of Mirada Connect, the "Mobile payment" segment, which previously represented 7% of the revenues of the Group. Our major customers are Digital TV platforms, composed mainly of Pay TV service providers. We provide the technology needed to facilitate the final user's interaction with the devices they provide, including digital TV decoders (set-top boxes), tablets, smartphones, computers, game consoles and smart TVs. Our major products are our navigational software proposition, Iris, including our Inspire user interface, and X-player, our broadcasting synchronisation technology.

Our customers need the services of a user interface ("UI") provider such as Mirada when creating a new Digital TV service or replacing/upgrading an existing one. The UI provider interacts with the device vendor (in the case of set-top boxes), the encryption technology vendor (Conditional Access ("CA") vendor) for the protection of content,and the customer systems (billing and provisioning systems).

The Group tends to interact with the customer in the early stages of their decision-making process and help in the selection of the proper ecosystem for their Digital TV solution. Our expertise is widely recognised in the industry, and we provide a value that goes beyond our actual UI proposition. Aside from the professional services related to deployment, support and maintenance, our licencing model varies depending on the size of the customer, from one-off fees per household for the product as it is, to recurrent revenues for a Software as a Service ("SaaS") model. The Group also historically provided cashless payment solutions to car park operators through a revenue-share agreement (Mobile payment segment) but, as set out above, this division was divested during the year. Managed services such as quality assurance on functionality add-ons to platforms are also provided to customers.

STRATEGY

The Group's strategy is to extend its presence in the Digital TV markets, focusing on those markets with higher potential growth rates, for example the Latin America, Eastern Europe and South East Asia markets. The aim is to increase the number of customers being charged subscriber-based licence fees, as these revenues command higher margins and, so long as the customer's subscriber base keeps growing, Mirada will continue to earn licence fees even from projects which were completed several years previously.

Reference deployments (defined as key deployments used as a reference to attract potential customers) are very important in this market, and winning reference contracts has been and remains an integral part of our strategy. The Group will need to continue investing in research and development in order to provide the required functionalities in its products to satisfy the cutting-edge demands of customers, while maintaining a fair balance between potential growth and profitability. These include costs incurred towards developing new functionality such as an increased presence in the Cloud, enhanced search, recommendation and personalisation functionalities, and integration with more content providers, chipsets and device manufacturers. Our continued investment in Iris is essential in ensuring a proper implementation of this strategy.

"The Group is focused on extending its presence in markets with higher potential growth rates"

DEVELOPMENT, PERFORMANCE AND POSITION OF BUSINESS

Development, performance and position of our business have been discussed in the CEO report, with key items on pages 15 and 16.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the Group are set out below. All these risks are consistent and stable compared with the prior year, with the addition of COVID-19.

Dependence on people

The Group recognises the value of the commitment of its key management personnel and is conscious that it must keep appropriate reward systems, both financial and motivational, in place to minimise this area of risk. Our share option scheme and investment in training are examples of this. Rotation of key management, considered to be the main measure of risk, is very low as there have been no changes in the key executive management team in the last five years, except for a change in the Finance Director in November 2015. The Group invests a significant amount of resources to identify market practices in our sector and to be up to date on human resources policies, including employment benefits, remote working and continued internal and external training for our employees.

Digital TV and Broadcast markets

The sectors in which the Group operates may undergo rapid and unexpected changes. It is possible, therefore, that competitors will develop products that are similar to those of the Group, or its technology may become obsolete or less effective. The Group's success depends upon its ability to enhance its products and technologies and develop and introduce new products and features that meet changing customer requirements and incorporate technological advances on a timely and cost-effective basis. As a result, the Group continues to invest significantly in new product and product improvements, research and development, totaling this year circa 30% of our revenues, well above market standards. As most of our market growth is related to Subscription Video on Demand (SvoD) and OTT services, we have been able to improve our OTT product line and integrate our services with Netflix at our largest customer, izzi Telecom, paving the way for potential future integration in present and future customers.

Information technology

Data security, loss or corruption of data, and business continuity pose inherent risks for the Group leading to a loss of customer confidence in the Group being able to deliver their requirements. To mitigate this risk, the Group invests in, and keeps under review, formal data security and business continuity policies. The Group maintain both local and cloud-based backups and regularly review plans on how to improve data management.

Intellectual property

There are certain markets in which there could be instances of disputes regarding intellectual property involving technology companies, including the Digital TV market. So far no disputes have been raised and the Company does not envisage any risks to its own intellectual property. While the Group internally generates its products and software and strongly believes that it has not infringed any third-party intellectual property, management do recognise that due to the nature of the technology market there will always be a risk of other corporations potentially making claims regarding intellectual property/patent infringements.

Liquidity Risk

Liquidity risk is managed through the assessment of short, medium and long term cashflow forecasts to ensure the adequacy of funding in order to meet the Group's working capital requirements. Cash and cash flow forecasts are regularly reviewed by the Executive Directors and the Group constantly monitors these to ensure, among other scenarios, that the Group is able to meet its liabilities as they fall due. Where a shortfall in funding is identified the Company will look to meet this shortfall through a variety of funding options including but not limited to the issuing of new equity. The Company relies on the support of its shareholders and has been able to secure new equity and loan facilities during prior years from its main shareholder. This area is considered further in the report of the directors and the accounting policies under 'Going concern'.

Customer concentration

Revenues from the main customer represent 72% of the total turnover. The Company has been reducing this level from prior years (FY19: 79%), and it has a focus on generating business with new customers. Revenue from customers outside the main client increased by 86% to $3.66m in FY20 from $1.79m in FY19.

Brexit

The UK's exit from the European Union (EU) creates uncertainty that may impact the performance of our business. The potential impact includes:

- A continued deterioration in customer sentiment
- Operational complexity and cost due to restrictions on the movement of goods and stricter border controls
- Costs passed through from our suppliers
- Continuity of supply and supplier viability
- Import and export duties
- Additional regulatory responsibilities and costs
- Increased complexity and cost in our international operations

Specific mitigation plans have been implemented by Mirada in order to reduce the potential negative impact on its operational activity and Financial Statements. In particular, the Company reduced its payroll based in the UK through the divestment of Mirada Connect Ltd on 4th July 2019 and the closure of its Exeter office on 30th September 2019.

COVID-19

As noted in the CEO's report, the Group is continuously monitoring the effects of the COVID-19 pandemic across the markets in which it operates. This includes regular meetings of the Management Team assessing the situation and reflecting on new policies developed by relevant authorities. Remote working was mandatory for all employees since the beginning of March, which has not had a material operational or financial impact on the Group to the date of this report. The main identified risk factors associated with the pandemic are the following:

- **Health issues related to our employees and their capability to perform their duties**: the Group considers that remote working will reduce the potential risk of contagion to our employees, although there is always a risk and we have been identifying those who would have a higher risk and implementing redundancy processes to prevent disruptions.

- **Psychological effects and morale erosion**: a continued period of isolation and remote working could have the de-motivational effect and reduce the sense of belonging of the employees. The Company has increased regular meetings between the departments, has a daily Management meeting to coordinate activities, and has monthly global meetings to try to reduce this risk.

- **Economic impact**: although our customers have not experienced yet a reduction of their activities due to the pandemic potential economic impact, we cannot discard that the reduction of purchasing power in their markets could have an effect on the level of subscriptions and collections. The Group has successfully progressed to secure early purchase orders from its main customer and secured extra liquidity in the form of additional bank loans and extension of loan agreements, as detailed in the CEO's report.

- **Costs management**: even though the Company has decided to keep all the employees and their know-how, all other non-essential costs have been reviewed and reduced when possible.

Section 172 statement

From 1 January 2019, legislation was introduced requiring companies to include a statement pursuant to section 172 of the Companies Act 2006.

The Board recognises the importance of the Group's wider stakeholders when performing their duties under Section 172(1) of the Companies Act and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long term,
- the impact of his decisions in the value for shareholders,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and partners,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The Board considers that all their decisions are taken with the long-term in mind, understanding that these decisions need to regard the interests of the Company's shareholders, employees, its relationships with suppliers, customers, partners, the communities and the environment in which it operates. It is the view of the Board that these requirements are addressed in the

Corporate Governance Statement, which can be found on the company's website at
www.mirada.tv/investors/corporate-governance.

For the purpose of this statement detailed descriptions of the decisions taken are limited to those of strategic importance. The Board believes that three decisions taken during the year fall into this category and were made with full consideration of both internal and external stakeholders:

- The decision to dispose Mirada Connect Ltd as a subsidiary of the Group. The Board considered the views of both the internal and external stakeholders on this matter before entering formal discussions with the buyer, and it was defined a preliminary valuation that would be considered fair and reasonable. The Board also consulted advisers and stakeholders about the proper procedures for the alignment of the management of the Group, allowing the remaining team to focus on the core activities of the Company and concentrate on long-term value generation for all stakeholders.

- The decision to propose cancellation of share premium, which was motivated by the share value perception, the aim to increase share trading volumes and the potential reduction of share price volatility. Both internal and external stakeholders were consulted, and the resolution was proposed to shareholders at a General Meeting on 10 September 2019.

- The decision to migrate the Iris product to Android TV technology, which has a major impact on the Company roadmap and is essential to ensure the presence of the Group in the new generation set-top boxes opportunities. This project, directly and indirectly, concentrated the majority of the product investment for the fiscal year, and it was crucial to be present in the main customer new generation service proposition. The project involved conversations with advisers, partners, shareholders and employees, a careful analysis of the potential opportunities in the market, the investment to be made and the impact on employees, partners and present and future customers, as well as the long-term value for all stakeholders.

APPROVAL

This strategic report was approved in behalf of the Board on 15th July 2020 and signed on its behalf.

José-Luis Vázquez
CHIEF EXECUTIVE OFFICER
15th July 2020

REVIEW OF BUSINESS, FUTURE DEVELOPMENTS AND KEY PERFORMANCE INDICATORS

Reviews of the business, its results, future direction and key performance indicators are included in the Chief Executive Officer's Report and Strategic Report on pages 15 to 22.

DIVIDENDS

No dividend is declared in respect of the year (2019: $nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including capital risk, credit risk, foreign currency exchange risk, interest rate risk and liquidity risk. The management of financial risk is governed by the Group's policies approved by the board of directors, which provide written principles to manage these risks. See note 22 for further details on the Group's financial instruments.

Going concern

These financial statements have been prepared on the going concern basis. The Directors have reviewed the Company and Group's going concern position taking account of its current business activities, budgeted performance and the factors likely to affect its future development, which are set out in this Annual report, and include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, its exposure to credit and liquidity risks and the impact of the COVID-19 pandemic.

As at 31 March 2020, the Group had cash and cash equivalents of $0.19m (2019: $0.12m), had net current assets of $0.29m (2019: net current liabilities of $0.70m) and net assets of $10.55m (2019: $9.98m.). In the year ended 31 March 2020, the Group generated net cash from operating activities of $1.80m (2019: net cash used in operating activities $1.24m), realised a profit for the year of $0.59m (2019: a loss of $3.11m). Subsequent to the year end, the Directors are pleased to announce that they have secured the following additional funding for the business:

- €1.6m of new loans obtained between April 2020 and June 2020 from banks with 80% of these loans guaranteed by the Spanish government under the COVID-19 relief scheme.
- An extension to the term of its €1.30 million credit facility has been granted by Leasa Spain, S.L.U. The term of the Facility has been extended by 12 months and now expires on 30 November 2021.

The Directors have prepared detailed cash flow forecasts for the period to at least 31 December 2021. The Directors regularly review the detailed forecasts of sales, costs and cash flows. The assumptions underlying the forecasts are challenged, varied and tested to establish the likelihood of a range of possible outcomes, including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at Board level. However, the uncertain impact of COVID-19 introduces more risks and uncertainty into this year's review. The Group has seen limited impact of COVID-19 on the operational capability of the business. From a technology point of view, the Group is also offering and developing the most advanced features in the market, providing services to a growing subscriber base in our core markets. To this end a base case cash flow forecast has been prepared which takes into account the following key assumptions:

- The continued availability of the Group's invoice discounting facility throughout the foreseeable future.
- An average revenue growth of 13% in the foreseeable future, which Directors believe, comprise of revenue that is substantially already secured under signed contracts.
- Additional net funding of US$1.4m from lenders
- An expected receipt of US$0.3m of Research and Development tax credit in March 2021 from Spanish tax authorities.

The Directors have also considered a number of downside scenarios, including a scenario where all revenue growth from new customers is removed, a scenario where no further funding is obtained in the period and a reverse stress test. The purpose of the reverse stress test for the Group is to test at what point the cash facilities would be fully utilised if the assumptions in the Director's base case forecasts are altered. This reverse stress test

includes both a removal of all revenue growth from new customers and a reduction of contracted revenue from existing customers for the forecast period, resulting in an overall reduction of revenue of c.20%, as well as the removal of any potential future funding and the receipt of the US$0.3m Research and Development tax credits anticipated. In the event that the performance of the Group is not in line with the projections, and more akin to one of our downside scenarios, including the worst case scenario, action will be taken by management immediately to address any potential cash shortfall for the foreseeable future. The actions that could be taken by the Directors include both a review and restructuring of employment related costs, including the deferral of any potential bonuses due to employees. These measures alone could save at least $1.0m in operating costs and therefore cash flows. Further, the Directors could also negotiate access to other sources of finances from our lenders. Given the Director's current relationship with lenders and their recent success in negotiations with these financial institutions, whilst there are no binding agreements currently in place, negotiations are in very advanced stages for additional funding. Therefore, they Directors are confident that any additional funding required would be obtained.

Whilst the cash flow forecasts prepared have been sensitised to consider a number of downside scenarios, including the reverse stress test, the Directors are pleased to note that the post year end performance of the Group has exceeded the original forecast for April and May 2020. Therefore demonstrating that the Group has not suffered negatively from the impact of COVID-19 and is in a strong place to meet the base case forecasts.

Overall, the sensitised cash flow forecasts demonstrate that the Group will be able to pay its debts as they fall due for the period to at least 31 December 2021. The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

See note 4 to the financial statements for further information on going concern.

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Group has taken out an insurance policy to indemnify the Directors and officers of the company and its subsidiaries in respect of certain liabilities which may attach to them in their capacity as directors or officers of the Group, so far as permitted by law. This policy remained in force throughout the year and remains in place at the date of this report.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group continues its development program of software for the Digital TV market including the research and development of new products and enhancements to existing products. The Directors consider the investment in research and development to be fundamental to the success of the business in the future.

CORPORATE GOVERNANCE

The Board decided to update its current Corporate Governance policy and adopt the QCA Corporate Governance Code (April 2018) from 26 September 2018, and there have not been any changes since then. Details of the Company's corporate governance policies and compliance are available on the Mirada website: https://www.mirada.tv/investors/corporate-governance/.

Compliance with the Quoted Companies Alliance Corporate Governance Code

The Quoted Companies Alliance has published a corporate governance code which includes a standard of minimum best practice for AIM companies and recommendations for reporting corporate governance matters.

Chairman's Corporate Governance Statement

As a Chairman, my role is to manage the Board in the best interests of our stakeholders, to ensure that our shareholders' views are communicated to the Board and to be responsible for ensuring the Board's integrity and effectiveness. I recognise that my role also involves my responsibility over the correct implementation of the QCA Corporate Governance Code into Mirada's corporate governance practices.

The Company is managed by the Board of Directors, and it is the Board's job to ensure that the Mirada group is managed for the long-term benefit of all shareholders, with effective and efficient decision-making. Corporate governance is an important part of that job, reducing risk and adding value to our business.

In addition to each of the 10 principles listed further below, the following provides an overview of how the Company applies the QCA Corporate Governance Code, in order to support the Company's medium to long-term success.

The Board comprises three Executive and two independent non-Executive Directors. The Board

considers, after careful review, that the non-Executive Directors bring an independent judgement to bear notwithstanding their length of service and are therefore both considered independent. The Board has decided to adopt voluntarily the practice that one third of the Directors stand for re-election on an annual basis.

I, Francis Coles, the non-Executive Chairman, am responsible for the running of the Board and corporate governance. José-Luis Vázquez, the Chief Executive, has executive responsibility for running the Group's business and implementing Group strategy. The Board meets at least four times per year and has a formal schedule of matters reserved to it. It is responsible for overall Group strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the Executive Directors and the senior management team.

The Board believes that, given its size, there is sufficient opportunity for shareholders to raise any concerns they may have with the non-Executive Chairman, the Chief Executive, the Group Finance Director and the other Directors.

Our values are based on two cornerstones: our customers and our employees. The Board believes this is vital for creating a sustainable, growing business and is a key responsibility of the Group. This culture supports the Company's objectives to grow the business through acquiring and retaining customers by attending to their needs from the very beginning of the sales process until successful delivery and during ongoing services provision and support. The Company recognises its employees as a key driver of success and considers it crucial to recruit and retain the right people with the appropriate set of skills and values. Corporate governance is an important part of that job, reducing risk and adding value to our business.

Francis Coles, Chairman

The QCA Corporate Governance Code sets out ten principles which should be applied. These are listed below together with a short explanation of how the Group applies each of the principles:

1. Establish a strategy and business model which promote long-term value for shareholders:

The Mirada Group strategy is focused around four key areas: market, product, sales, and business model, as explained fully within the Strategic Report section of our Report and Annual Accounts.

The Group's strategy is to extend its presence in the Digital TV markets, focusing on those with high potential growth rates, for example the Latin American, Eastern Europe and South East Asian markets. The aim is to increase the number of customers being charged subscriber-based licence fees, as these revenues command higher margins and, as long as the customer's subscriber base is growing, Mirada will continue to earn licence fees even from projects completed several years previously.

The key challenges to the business and how these are mitigated are detailed in the Strategic Report.

2. Seek to understand and meet shareholder needs and expectations:

The Mirada Group encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The CEO talks regularly with the Group's major shareholders and ensures that their views are communicated fully to the Board.

The Board recognises the AGM and the GMs as important opportunities to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following these meetings. The Group has set up a dedicated email address for all investor queries. The Board has also utilised digital technology to present virtually to current and prospective investors.

Where voting decisions are not in line with the Company's expectations, the Board will engage with those shareholders to understand and address any issues.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success:

The Mirada Group has identified the following key stakeholders and decided on implementing the following actions to cover their needs, interests and expectations:

- Employees – company meetings, CEO letters, work council
- Customers – corporate website, social media, international trade fairs, personal meetings, high- and low-level bilateral meetings
- Sales Partners – internal blog, weekly industry press reviews, weekly follow-up conferences, marketing material
- Shareholders – see above

- Technological Partners – corporate website, social media, international trade fairs, personal meetings, high- and low-level bilateral meetings
- Compliance advisors – periodic conference calls, advice request when applicable
- Banks – periodic meetings

Mirada identifies its employees as its key asset and puts a considerable amount of effort into ensuring employee satisfaction by such measures as improving work-life balance, providing fringe benefits, team building activities and many more.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation:

The Board considers risk to the business at every Board meeting (at least one meeting is held per quarter) and the risk register is updated at each meeting. The Company formally reviews and documents the principal risks to the business at least annually.

Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Directors meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading. This process allows the Board to gain assurance that the risk management and related control systems in place are effective.

5. Maintain the board as a well-functioning, balanced team led by the chair:

The Company is controlled by the Board of Directors. Francis Coles, the Non-executive Chairman, is responsible for the running of the Board and José Luis Vázquez, the Chief Executive, has executive responsibility for running the Group's business and implementing Group strategy. Directors attend one Board Meeting per quarter.

A summary of Board meetings attended by current Directors in the twelve months to 31 March 2020 is set out below:

	Francis Coles	Jose Luis Vazquez	Matthew Peter Earl	Jose Francisco Gozalbo	Gonzalo Babío
11 Jun 2019	✓	✓	✓	✓	✓
4 Jul 2019	✓	✓	✗	✗	✓
9 Sep 2019	✓	✓	✓	✓	✓
4 Dec 2019	✓	✓	✓	✓	✓
24 Mar 2020	✓	✓	✓	✓	✓

All Directors receive regular and timely information about the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. In addition, minutes of the meetings of the Directors are circulated to the Group Board of Directors. All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

The Board comprises three Executive Directors and two Non-Executive Directors. All Executives Directors work on a full-time basis and the Non-Executive Director's service agreements set out expected time commitments. All Directors recognise that a certain time of increased activity, the preparation and attendance at meetings will increase. The Board considers that all Non-executive Directors bring an independent judgement to bear notwithstanding the varying lengths of service.

The Directors of Mirada (the "Directors") have the following experience and skills:

Francis Coles

Non-Executive Chairman

Frances Coles has nearly 40 years of experience in corporate finance. He was a founder director of corporate finance advisory boutique New Boathouse Capital and later served as a director of AIM listed merchant bank Quayle Munro following its aquisition of New Boathouse Capital in 2007. Prior to that, Francis was a director of Baring Brothers and subsequently Santander Investment where his responsibilities included debt and equity fundraisings and merger and acquisition activities in the European and Latin American markets.

José Luis Vázquez

Chief Executive Officer

José L. Vázquez is CEO and Co-Founder of Fresh, a leading interactive TV player in the Spanish market. He holds a degree in Advanced Telecommunication Engineering (UPM) and an MBA (IESE). He has more than 15 years of experience in Telecommunication and Interactivity markets, where he is an skilled professional. He founded Fresh in year 2000 being the CTO and became the CEO of the company in 2004. José is one of the leading figures in the Hispanic Digital TV platforms markets.

Gonzalo Babío

Chief Financial Officer

Gonzalo Babío has a broad experience in media and technology sectors. His professional career includes three years working at Arthur Andersen as an auditor, ten years at Electronic Arts as Finance Director working in Madrid, Lisbon, Sao Paulo, Lyon and London, and ten years as Finance Director for The Walt Disney Company Iberia in Madrid. He has a degree in Business Administration from the Universidad de Deusto in

Bilbao, an EMBA from IESE Business School in Madrid and a PED from IMD in Lausanne.

José Francisco Gozalbo Sidro
Chief Technology Officer
José joined Mirada as Chief Technology Officer in March 2008, bringing over 18 years of experience in software development companies. In this role he has been responsible for software development, quality assurance, R&D and presales departments. He has a special focus on the Latin America region and has helped to build relationships with big telecoms partners that have led to multiple deployments of Mirada's products. Prior to joining Mirada, José was Chief Technology Officer at Fresh Interactive Technologies where he managed the deployment of products and services worldwide, working with some of the key partners in the Pay TV market.

Matthew Peter Earl
Non-Executive Director
Matthew has spent over 12 years working in the financial services sector primarily in Equity Capital Markets. Matthew started his career with Royal Bank of Scotland plc as an economist before working at Investec plc. Matthew then joined Charles Stanley Securities as an equity analyst in the support services sector, until he moved to head up the business services research team at Matrix Group Limited in 2010. More recently he has become an active investor in small and medium sized businesses.

The Audit Committee and the Remuneration and Nomination Committee meet formally at least twice a year. In the year ended 31 March 2020, Francis Coles and Mathew Earl attended all meetings of the Audit, Remuneration and Nomination Committees.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities:

The Nomination Committee of the Board oversees the hiring process and makes recommendations to the Board on all new Board appointments. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria. Whilst there is not currently a balance of genders on the Board, the Company's Directors look to appoint individuals with complementary skills and experience to fulfil the Company's strategy, regardless of gender. The Nomination Committee also considers succession planning.

The skills and experience of the Board are set out in their biographical details against principle 5 above. The Directors bring a mixture of relevant sector, public company and financial experience to the Board such that it has the capabilities to deliver the Company's strategy.

The directors keep their skillsets up to date by attending industry and qualification relevant seminars and training sessions.

The directors seek advice from their corporate advisers (including the Company's nominated adviser, lawyers and accountants) as necessary.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement:

The Board carries out an evaluation of its performance annually, taking into account the Financial reporting Council's Guidance on Board Effectiveness. The company has performed regular reviews of its Board composition, considering whether each Director has the appropriate skills for the proper performance of their duties. The Board is satisfied that each individual has the right balance of financial and market knowledge to understand the performance and prospects of the business for the proper development of the Group.

All Directors undergo a performance evaluation before being proposed for re-election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.

Appraisals are carried out each year with all Executive Directors.

All continuing Directors stand for re-election every three years.

8. Promote a corporate culture that is based on ethical values and behaviours:

Ethical values and behaviours are one of the key elements of Board members' appraisals. It also forms an important part of every employee's appraisal process, with a special focus on employees with direct contact with customers and vendors. Company values are also included in the welcome package that every new employee receives upon joining the company, which is also available for everyone on the Intranet.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board:

Our corporate governance statement on structure and processes is available on our corporate website, AIM Rule 26, Corporate Governance section. Direct link available here: https://www.mirada.tv/investors/aim-rule-26/

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders:

The Company encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The CEO talks regularly with the Group's major shareholders and ensures that their views are communicated fully to the board.

The Board recognizes the AGM and other GMs as important opportunities to meet private shareholders. The Directors are available to listen to the views of shareholders informally, immediately following any General Meeting.

DIRECTORS

The directors who held office during the year are given below:

Executive directors

Mr José-Luis Vázquez *Chief Executive Officer*
Mr Jose Gozalbo
Mr Gonzalo Babío

Non-executive directors

Mr Francis Coles *Non- Executive Chairman*
Mr Matthew Earl

EVENTS SINCE THE REPORTING DATE

On 11 March 2020, the World Health Organisation declared the coronavirus COVID-19 outbreak a pandemic, due to its fast spread around the World, after impacting more than 150 countries. Most governments are taking constraining measures to contain the spread, which include: isolation, confinement, quarantine and restrictions to free movement of people, closure of public and private facilities, except for health and essential goods, border closures and substantial reduction of air, sea, and land traffic.

This situation is affecting significantly the global economy, due to disruption or slowdown of supply chains and a significant increase in economic uncertainty, as shown by an increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates.

At the date of issuance of this report it is not possible to make a reasonable estimation of the current and future consequences of this crisis on the company. The Company's Management will evaluate the impact of the matters previously described and those that could be identified in the future on the financial position of the Company.

AUDITORS

Each of the persons who are directors at the date of approval of this report confirms that:

1. so far as the directors are aware, there is no relevant audit information of which the auditors are unaware; and

2. the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board:

José-Luis Vázquez
CHIEF EXECUTIVE OFFICER
15th July 2020

AUDIT COMMITTEE REPORT

I am pleased to present the report on behalf of the Audit Committee.

The Committee is responsible for challenging the quality of internal and external control and for ensuring that the financial performance of the Group is properly reported and reviewed. The Board considers that the Company is not currently of a size to warrant the need for an internal audit function although the Board has put in place internal financial procedures to ensure close internal controls.

Committee Composition

The members of the Audit Committee are myself, Francis Coles, as Chair, and Matthew P. Earl both independent non-executive directors. The Board is of the view that we have recent and relevant experience. Meetings are held on average twice a year. José Luis Vázquez (CEO), and Gonzalo Babío (Finance Director), attend by invitation. I report to the Board following an Audit Committee meeting and minutes are available to the Board.

Committee Duties

The main duties of the Committee are set out below:

- Reviewing and recommending to the Board in relation to the appointment and removal of the external auditor.
- Recommending the external auditor's remuneration and terms of engagement.
- Reviewing the independence of the external auditors, the objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements.
- Reviewing and monitoring the extent of the non-audit work undertaken by the Group's external auditor.
- Reviewing a wide range of financial matters including the annual and half year results.
- Monitoring the controls which ensure the integrity of the financial information reported to the shareholders.

In the financial year commencing on 1 April 2019, the Group applied the following new accounting standards:

IFRS 16- Leases

IFRIC 23 Uncertainty over Income Tax Treatments

Amendments to IFRS 9 Prepayment Features with Negative Compensation

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

Amendments to IAS 19 Employee Benefits

Annual Improvements to IFRS Standards 2015–2017 Cycle

External auditor

BDO was reappointed as the Group's auditor at the Annual General Meeting held on the 14th January 2020. The Committee considers that its relationship with the auditor is working well and is satisfied with their effectiveness.

Francis Coles
CHAIR OF THE AUDIT COMMITTEE

NOMINATIONS AND REMUNERATION COMMITTEE REPORT

I am pleased to present the report on behalf of the Remuneration Committee.

The Committee decides the remuneration policy that applies to executive directors and senior management. The Remuneration Committee meets as necessary in order to consider and set the annual remuneration for executive directors and senior managers, having regard to personal performance and industry remuneration rates. In determining that policy, it considers a number of factors including:

- the basic salaries and benefits available to executive directors and senior management of comparable companies;
- the need to attract and retain directors and others of an appropriate calibre; and
- the need to ensure all executives' commitment to the success of the Group.

The members of the Nominations and Remuneration Committees are myself, Francis Coles, as Chair, and Matthew P. Earl both independent non-executive directors. The Board is of the view that we have recent and relevant experience. Meetings are held on average twice a year. José Luis Vázquez (CEO), and Gonzalo Babío (Finance Director), attend by invitation. I report to the Board following a Nomination and Remuneration Committee meeting and minutes are available to the Board.

Non-executive directors are appointed on contracts with a three-month notice period and may be awarded fees as determined by the Board.

Executive directors are appointed on contracts with a 12-month notice period.

DIRECTORS' REMUNERATION

The following table summarises the remuneration receivable by the directors for the year ended 31 March 2020.

	Salary & fees **$000**	Benefits **$000**	2020 Total **$000**	2019 Total **$000**
Executive				
José-Luis Vázquez	288	3	**291**	**273**
Jose Gozalbo Sidro	308	11	**319**	**224**
Gonzalo Babío	198	12	**210**	**172**
Non-executive				
Javier Casanueva	—	—	**—**	**9**
Mathew Earl	37	—	**37**	**39**
Francis Coles	56	—	**56**	**59**
	887	**26**	**913**	**776**

The directors' participation in the company's share option plan is detailed in Note 25 and, as confirmed in Note 9, there were no contributions paid into a pension scheme for any director.

Francis Coles
CHAIR OF THE NOMINATIONS
AND REMUNERATION COMMITTEE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Directors have elected to prepare the Company financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 101 Reduced Disclosure Framework). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group for that year. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The directors are responsible for ensuring the annual report and the financial statements are made available on the Company's website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

OPINION

We have audited the financial statements of Mirada Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union ;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the key audit matter in our audit
Revenue recognition The Group's revenue recognition policy can be found in note 4d to the financial statements. Several revenue streams exist across the Group involving different timings and recognition entailing a degree of complexity as detailed in note 4d. Therefore, revenue recognition related to each deliverable requires judgement over the assessment of the separate contract deliverables. We assessed revenue recognition as a fraud risk as revenue forms the basis for certain of the Group's key performance indicators, both in external communications and for management incentives. As a result, we consider a significant risk of material misstatement to arise from the recognition of revenue throughout the year.	A summary of procedures performed to address the risk include: • A review of the revenue recognition policy for the Group in light of the requirements of IFRS 15. • Tested a sample of transactions from the revenue listing by allocating transaction price to each performance obligation and checked whether the revenue was recognised appropriately at a point in time or over time. • Tested a sample of sales invoices raised before and after year end to ensure that these were accounted for in the correct period and accrued for, or deferred, appropriately by agreeing to supporting evidence. • Tested completeness of deferred revenue and existence of accrued revenue by agreeing the sales invoices to cash receipts and ensuring that revenue was appropriately recognised during the year. • For all samples tested our testing included inspection of the contracts, proof of payments and ensuring revenue recognition as per the accounting policy. We confirmed that the appropriate trigger event i.e. performance obligation had satisfied in order to ensure that the revenue recognition criteria had been met. • We also considered the adequacy of the Group's disclosures relating to revenue recognition in note 4d and 6. ***Key observations*** Based on procedures performed, we did not identify any evidence of material misstatement in the revenue recognised in the year.
Goodwill and intangible asset impairment assessment The accounting policies are detailed in notes 4f, 4g, 4i. The Group continues to be loss making and, as a result, the Directors have tested goodwill and intangibles assets, including previously capitalised development costs, for impairment. There remains a degree of uncertainty around expected revenues and profits to be realised and be sufficient to ensure recoverability of the assets recognised on the statement of financial position. Determining if an impairment charge is required for Goodwill and Intangible assets involves significant judgements about the future results and cash flows of the business, including forecast growth in future revenues and operating profit margins, as well as determining an appropriate discount factor and long term growth rate. Details of these are included in note 14. We therefore focused on these areas and the judgements applied to future forecasts.	Our audit procedures involved: • We checked management's impairment assessment for "Digital TV – Broadcast" cash generating unit (CGU), including the discounted cash flow analysis. As part of this, we challenged the key assumptions, including the growth rate and discount rates applied. This included consultation with BDO's valuations specialists on the appropriate use of key assumptions i.e. discount rate and growth rate. • Based on external evidence examined i.e. inflation and growth rates for similar sized companies, we performed sensitivity testing on revenue growth and discount rates used in the impairment assessment to ensure there was sufficient headroom in their calculation. • Compared the discounted cash flow analysis to the historical performance and the actual post year-end results of the CGU. • Considered the appropriateness of the disclosure included in note 14. ***Key observations*** Based on procedures performed, we did not note any material issues with the recoverability of the intangible assets recognised on the balance sheet and concluded that management's judgements and disclosures were appropriate.

Key Audit Matter	How we addressed the key audit matter in our audit
Going concern assessment The Group has continued to make operating losses in the financial year, which indicates that there is an elevated risk associated with the Group's going concern status. The financial statements explain in note 4(b) how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group financial statements. That judgement is based on an evaluation of the inherent risks to the Group's business model and how those risks might affect the Group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The Group's ability to continue as a going concern has been subject to increased audit scrutiny in line of the anticipated financial impact of COVID-19 and its potential impact on the markets as a whole and the Group in specific. The Directors have considered the impact of COVID-19 and have sensitised their forecasts accordingly. As the full economic effect on the Group and the overall economic environment are still uncertain there is a significant level of judgement involved in anticipating results. Due to the high level of judgement involved in these assessments there exists a risk, that inappropriate assumptions might be utilised in the determination of the Group's ability to continue as a going concern.	Our audit procedures involved: • Discussing with management their assessment of the Group's ability to continue as a going concern. • Critically evaluating the revenue and cost projections underlying the model with reference to market information as well as past performance of the Group. • Analysing the projected cash flow and working capital assumptions; • Assessing the impact of COVID-19 on the cash-flow projections as well as the assumptions and sensitivities relating to this. • Performing analysis of changes in key assumptions including a reasonable possible (but not unrealistic) reduction in forecast revenue to understand the sensitivity in the cash flow forecasts. • A review of the directors' statement in note 4(b) of the financial statements as to whether it is appropriate to adopt the going concern basis of accounting in preparation of the financial statements. ***Key observations*** Covered by the conclusions relating to going concern above section above.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing our audit and evaluating the effect of misstatement. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality, performance materiality, to determine the extent of testing needed. Importantly, misstatement below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of the identified misstatements, and the particular circumstances of their occurrence when evaluating their effect on the financial statements as a whole.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our Group audit in excess of $10,000 (2019: $9000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Group Overall Materiality	$197,000 (2019: $186,000)
Group Performance Materiality (75% of Overall materiality)	$148,000 (2019: $139,500)
Basis for Determining (Group and Parent)	Group – 1.5% of Group revenue (2019: 1.5% of revenue).
Parent – 1% of total assets (2019: 1% of total assets)	
Rationale for benchmark applied (Group and Parent)	Group – Revenue provides a consistent year on year basis for determining materiality, is a main KPI and is a significant driver of profit/loss for the year. In order to arrive at this judgement, we considered the financial measures which we believed to be most relevant to the shareholders in assessing the performance of the Group. Parent – Total assets has been used as the Company primarily acts as a holding company for its subsidiaries.
Parent Company Overall Materiality	$88,000 (2019: $113,000)
Parent Company Performance Materiality	$66,000 (2019: $84,500)

Performance materiality was set at 75% (2019 – 75%) of the above materiality figures. 75% is based on our risk assessment, together with our assessment of the Group's overall control environment.

COMPONENT MATERIALITY

Each significant component of the Group was audited to a lower level of materiality which is used to determine financial statement areas that are included within the scope of our audit and the extent of sample sizes used during the audit.

We determined component materiality as follows:

Range of component materialit	45% to 83% of group materiality

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control and assessing the risks of material misstatement in the financial statements at the Group level.

In determining the scope of our audit we considered the level of work to be performed at each component in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements of the Group as a whole. We tailored the extent of the work to be performed by us at each component based on our assessment of the risk of material misstatement at each component. We identified three centrally controlled components, of which, we have audited two components. The third significant component is based in Madrid, Spain and was audited by BDO Spain, detailed instructions were issued and discussed with the component auditor.

The Group audit team was actively involved in directing the audit strategy of the component audit, reviewed in detail the findings and considered the impact of these upon the Group audit opinion.

For the two components not considered significant, we performed analytical review procedures together with substantive testing on Group audit risk areas applicable to those components based on their relative size, risks in the business and our knowledge of the entity appropriate to respond to the risk of material misstatement.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of directors' responsibilities set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Butcher (Senior Statutory Auditor)
FOR AND ON BEHALF OF BDO LLP,
STATUTORY AUDITOR
London
United Kingdom
15 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $000	2019 $000
Revenue	6	**13,157**	12,322
Cost of sales		**(676)**	(857)
Gross profit		**12,481**	11,465
Depreciation	15,16	**(360)**	(80)
Amortisation	14	**(3,499)**	(3,578)
Share-based payment charge	25	**—**	(70)
Staff costs	9	**(6,790)**	(7,249)
Other administrative expenses		**(3,196)**	(3,402)
Total administrative expenses		**(13,845)**	(14,379)
Operating loss	8	**(1,364)**	(2,914)
Gain on disposal of Mirada Connect	2,7	**1,699**	—
Non operating profit		**1,699**	—
Finance income	10	**65**	141
Finance expense	11	**(177)**	(523)
Foreign currency translation differences		**52**	—
Profit/(loss) before taxation		**275**	(3,296)
Taxation	12	**313**	184
Profit/(loss) for year		**588**	(3,112)
Other comprehensive income for the period			
Amounts that will or may be reclassified to the profit or loss			
Forex on translation of foreign operations		**2,888**	(565)
Total comprehensive profit/(loss) for the period		**3,476**	(3,677)

		Year ended 31 March 2020 $	Year ended 31 March 2019 $
Earning/(loss) per share			
Earning/(loss) per share for the year			
– basic & diluted	13	**0.001**	(0.006)

The notes on pages 42 to 75 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

Company number 03609752

	Note	2020 $000	2019 $000
Goodwill	14	**5,098**	5,924
Other Intangible assets	14	**6,631**	5,855
Right of use assets	15	**482**	—
Property, plant and equipment	16	**228**	222
Other Receivables	17	**486**	398
Non-current assets		**12,925**	12,399
Trade & other receivables	17	**6,966**	5,421
Cash and cash equivalents	27	**185**	117
Current assets		**7,151**	5,538
Total assets		**20,076**	17,937
Loans and borrowings	19	**(2,820)**	(3,257)
Related parties loans and interests	19	**(7)**	—
Trade and other payables	18	**(2,019)**	(1,958)
Deferred income	18	**(1,785)**	(1,019)
Lease liabilities	15	**(229)**	—
Current liabilities		**(6,860)**	(6,234)
Net current assets/(liabilities)		**291**	(696)
Total assets less current liabilities		**13,216**	11,703
Related parties loans	20	**(1,210)**	—
Interest bearing loans and borrowings	20	**(1,195)**	(1,721)
Lease liabilities	15	**(259)**	—
Non-current liabilities		**(2,664)**	(1,721)
Total liabilities		**(9,524)**	(7,955)
Net assets		**10,552**	9,982
Issued share capital and reserves attributable to equity holders of the company			
Share capital	23	**12,015**	12,015
Share premium	24	**—**	15,995
Other reserves		**18,286**	15,398
Accumulated loss		**(19,749)**	(33,426)
Equity		**10,552**	9,982

These financial statements were approved and authorised for issue on July 15 2020

Signed on behalf of the Board of Directors

José-Luis Vázquez
CHIEF EXECUTIVE OFFICER

The notes on pages 42 to 75 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	$000	$000	$000	$000	$000	$000
Balance at 1 April 2019	**12,015**	**15,995**	**10,535**	**4,863**	**(33,426)**	**9,982**
Profit for the year	—	—	—	—	588	588
Other comprehensive income						
Movement in foreign exchange	—	—	2,888	—	—	2,888
Total comprehensive income for the year	**—**	**—**	**2,888**	**—**	**588**	**3,476**
Transactions with owners						
Share premium cancelation	—	(15,995)	—	—	13,089	(2,906)
Balance at 31 March 2020	**12,015**	**—**	**13,423**	**4,863**	**(19,749)**	**10,552**

	Share capital	Share premium	Foreign exchange reserve	Merger reserves	Accumulated losses	Total
	$000	$000	$000	$000	$000	$000
Balance at 1 April 2018	**2,261**	**15,760**	**11,122**	**4,863**	**(30,786)**	**3,220**
Prior Year Adjustment-IFRS 15 (Note 2)	—	—	—	—	380	380
Loss for the year	—	—	—	—	(3,112)	(3,112)
Other comprehensive income						
Movement in foreign exchange	—	—	(587)	—	22	(565)
Total comprehensive loss for the year	**—**	**—**	**(587)**	**—**	**(2,710)**	**(3,297)**
Transactions with owners						
Share-based payment	—	—	—	—	70	70
Conversion of convertible loans into shares	5,858	235	—	—	—	6,093
Issue of shares	3,896	—	—	—	—	3,896
Balance at 31 March 2019	**12,015**	**15,995**	**10,535**	**4,863**	**(33,426)**	**9,982**

The notes on pages 42 to 75 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $000	2019 $000
Cash flows from operating activities			
Profit/(loss) after tax		**588**	(3,112)
Adjustments for:			
Depreciation of property, plant and equipment	15,16	**360**	80
Amortisation of intangible assets	14	**3,499**	3,578
Share-based payment charge		**—**	70
Finance income		**(65)**	(141)
Finance expense		**177**	523
Foreign currency translation differences		**(52)**	—
Taxation		**(313)**	(184)
Gain on disposal of Mirada Connect		**(1,699)**	—
Operating cash flows before movements in working capital		**2,495**	814
Increase in trade and other receivables		**(2,011)**	(1,654)
Increase/(decrease) in trade and other payables		**1,065**	(703)
Interest paid		**(14)**	—
Taxation received		**265**	307
Net cash used in operating activities		**1,800**	(1,236)
Cash flows from investing activities			
Interest and similar income received	10	**65**	141
Purchases of property, plant and equipment	16	**(126)**	(80)
Purchases of other intangible assets	14	**(4,319)**	(3,127)
Cash proceeds from sale of Mirada Connect	2	**2,605**	—
Net cash used in investing activities		**(1,775)**	(3,066)
Cash flows from financing activities			
Interest and similar expenses paid	11	**(163)**	(523)
Issue of share capital		**—**	3,896
Payment of principal on lease liabilities	27	**(242)**	—
Loans received	27	**1,958**	1,201
Related parties loans received	27	**1,210**	—
Repayment of loans	27	**(2,824)**	(2,150)
Net cash (used in)/from financing activities		**(61)**	2,424
Net decrease in cash and cash equivalents		**(36)**	(1,878)
Cash and cash equivalents at the beginning of the period	27	**117**	1,937
Exchange losses on cash and cash equivalents		**104**	58
Cash and cash equivalents at the end of the year	27	**185**	117

The notes on pages 42 to 75 form part of these financial statements.

1. GENERAL INFORMATION

Mirada plc is a company incorporated in the United Kingdom. The address of the registered office is 68 Lombard Street, London, EC3V 9LJ. The nature of the Group's operations and its principal activities are the provision and support of products and services in the Digital TV and Broadcast markets.

2. CHANGE IN CONSOLIDATION SCOPE

Main changes for the year ended as at 31 March 2020:
On 5 July 2019, the Group announced the sale of the wholly owned subsidiary Mirada Connect Ltd. to PayByPhone UK Limited (subsidiary of Volkswagen Financial Services, AG), for a consideration of $2.61 million (£2.12 million). As a result, the Group recognised a gain of $1.70 million as shown in the Consolidated Income Statement. As a consequence of said disposal, the results of Mirada Connect Ltd are included as part of the consolidation scope from 1 April 2019 to the effective date of disposal. For the purpose of IFRS 5, this is not a discontinued operation.

3. CHANGES IN ACCOUNTING POLICIES

a. Adoption of new and revised standards effective from 1 April 2019

IFRS 16 – Leases
This Standard replaces the following standards: (a) IAS 17 Leases; (b) IFRIC 4 Determining Whether an Arrangement Contains a Lease; (c) SIC-15 Operating Leases – Incentives; and SIC-27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

IFRS 16 establishes that companies that are lessee in lease contracts will recognise in the consolidated balance sheet the liabilities and assets of lease contracts (except short-term and low-value lease agreements). Furthermore, the operating lease expense has been replaced by a charge for straight-line amortisation of right of use assets and an interest expense on lease liabilities.

This standard has not introduced significant changes in the accounting for lease contracts by the lessor.

The Group previously classified leases as operating or finance leases under IAS 17 (refer to Note 26). With respect to the leases classified as finance leases in accordance with IAS 17, the book value of the right of use asset and the lease liability on the date of first-time application will be the carrying amount of the lease asset and the lease liability immediately prior to that date, measured in accordance with IAS 17. With respect to operating leases, the lessee will record the asset by right of use and the lease liability in accordance with this standard as of the date of first-time application.

The Group has opted to apply the modified retrospective approach, without restating the comparative information presented as at 31 March 2019 under the aforementioned standards. On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Under this option, the Group has calculated the lease liability as the current value of the outstanding instalments on the contracts in force at the date of first-time application determined on the basis of the incremental interest rates on the aforementioned date and has recognised the value of the right-of-use asset for the same amount of the lease liability calculated at 1 April 2019.

The average incremental borrowing rates for the main countries affected by this standard, used for calculating the current value of the rights of use and of the operating lease liabilities recognised at the date of first-time application of IFRS 16 are detailed in Note 15.

The right of use and lease liability were defined according to the original contract term.

IFRS 16 establishes two exceptions for the lease recognition that included the low-value lease agreements (amount equal or less than to $5 thousand) and short-term lease agreement (for a period equal or less of 12 months). For these cases, the expenditures are recognised as expense during the term of the lease agreement. The Group has taken advantage of these two practical expedients in determining ROU assets and Lease liability

To calculate this impact, the Group has analysed, among other factors, the duration of the significant leases considering whether the agreements can be terminated early or not and whether or not the durations can be unilaterally extended by the lessee and, in both cases, the degree of certainty, which, in turn, depends on the

expected use of the assets located in the underlying properties leased.

The following table shows the impact on the consolidated statement of financial position at 1 April 2019 of application of the standard:

	IFRS 16 at 1 April 2019 $000
Lease liabilities	492
Right-of-use assets	492

The following table reflects a reconciliation between the operating lease commitments presented at 31 March 2019 and the lease liabilities recognised at 1 April 2019:

	1 April 2019 $000
Operating lease commitments at 31.03.2019 as reported in the Statements of Financial Position (Note 26)	**960**
Impact due to the discount of the future payments using the incremental borrowing rate at 1 April 2020	(19)
Recognition exemption for short-term at transition	(246)
Recognition exemption for low value at transition	(203)
Lease liabilities recognised at 1 April 2019	**492**
Current Lease liabilities recognised at 1 April 2019	**207**
Non-current Lease liabilities recognised at 1 April 2019	**285**

There was no material impact on the Consolidated Statement of Cashflows.

Other new amended standards and Interpretations issued by the IASB that apply to the financial statements do not impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. These standards are:

IFRIC 23 – Uncertainty over Income Tax Treatments

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

Amendments to IAS 19 – Employee Benefits

Annual Improvements to IFRS Standards 2015–2017 Cycle

b. Adoption of new and revised standards effective from 1 April 2020

New Standards, interpretations and amendments not yet effective

There are a number of standards and amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these are as follows, effective for the period beginning 1 April 2020. The Group is currently assessing the impact of these new standard and amendments. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material outcome on the group.

Amendments to IAS 1 and IAS 8

Definition of materiality or with relative importance. This amendment clarifies the definition of materiality or relative importance and how it should be applied by introduction in the definition of guides that until now have been addressed in other parts of the IFRS Standards; improving the explanations that accompany the definition and ensuring that the definition of materiality or with relative importance is consistent throughout all IFRS Standards. The Group will consider the new definition of materiality and do not foresee significant impact in the preparation of the consolidated financial statement.

Amendments to IFRS 3 – Business combinations

At the date of authorisation for issue of these consolidated financial statements, the amendments to IFRS 3 – Business combinations have been approved by the International Accounting Standards Board (IASB).

Amendments to IFRS 3 – Business combinations. IFRS 3 is amended to limit and clarify the definition of a business, and to enable a simplified evaluation of whether a set of activities and assets acquired is a group of assets instead of a business.

4. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

These Group financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by European Union ("IFRSs") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRSs.

b. Going concern

These financial statements have been prepared on the going concern basis. The Directors have reviewed the Company and Group's going concern position taking account of its current business activities, budgeted performance and the factors likely to affect its future development, which are set out in this Annual report, and include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, its exposure to credit and liquidity risks and the impact of the COVID-19 pandemic.

As at 31 March 2020, the Group had cash and cash equivalents of $0.19m (2019: $0.12m), had net current assets of $0.29m (2019: net current liabilities of $0.70m) and net assets of $10.55m (2019: $9.98m.). In the year ended 31 March 2020, the Group generated net cash from operating activities of $1.80m (2019: net cash used in operating activities $1.24m), realised a profit for the year of $0.59m (2019: a loss of $3.11m). Subsequent to the year end, the Directors are pleased to announce that they have secured the following additional funding for the business:

- €1.6m of new loans obtained between April 2020 and June 2020 from banks with 80% of these loans guaranteed by the Spanish government under the COVID-19 relief scheme.

- An extension to the term of its €1.30 million credit facility has been granted by Leasa Spain, S.L.U.The term of the Facility has been extended by 12 months and now expires on 30 November 2021.

The Directors have prepared detailed cash flow forecasts for the period to at least 31 December 2021. The Directors regularly review the detailed forecasts of sales, costs and cash flows. The assumptions underlying the forecasts are challenged, varied and tested to establish the likelihood of a range of possible outcomes, including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at Board level. However, the uncertain impact of COVID-19 introduces more risks and uncertainty into this year's review. The Group has seen limited impact of COVID-19 on the operational capability of the business. From a technology point of view, the Group is also offering and developing the most advanced features in the market, providing services to a growing subscriber base in our core markets. To this end a base case cash flow forecast has been prepared which takes into account the following key assumptions:

- The continued availability of the Group's invoice discounting facility throughout the foreseeable future.

- An average revenue growth of 13% in the foreseeable future, which Directors believe, comprise of revenue that is substantially already secured under signed contracts.

- Additional net funding of US$1.4m from lenders

- An expected receipt of US$0.3m of Research and Development tax credit in March 2021 from Spanish tax authorities.

The Directors have also considered a number of downside scenarios, including a scenario where all revenue growth from new customers is removed, a scenario where no further funding is obtained in the period and a reverse stress test. The purpose of the reverse stress test for the Group is to test at what point the cash facilities would be fully utilised if the assumptions in the Director's base case forecasts are altered. This reverse stress test includes both a removal of all revenue growth from new customers and a reduction of contracted revenue from existing customers for the forecast period, resulting in an overall reduction of revenue of c.20%, as well as the removal of any potential future funding and the receipt of the US$0.3m Research and Development tax credits anticipated. In the event that the performance of the Group is not in line with the projections, and more akin to one of our downside scenarios, including the worst case scenario, action will be taken by management immediately to address any potential cash shortfall for the foreseeable future. The actions that could be taken by the Directors include both a review and restructuring of employment related costs, including the deferral of any potential bonuses due to employees. These measures alone could save at least $1.0m in operating costs and therefore cash flows. Further, the Directors could also negotiate access to other sources of finances from our

lenders. Given the Director's current relationship with lenders and their recent success in negotiations with these financial institutions, whilst there are no binding agreements currently in place, negotiations are in very advanced stages for additional funding. Therefore, they Directors are confident that any additional funding required would be obtained.

Whilst the cash flow forecasts prepared have been sensitised to consider a number of downside scenarios, including the reverse stress test, the Directors are pleased to note that the post year end performance of the Group has exceeded the original forecast for April and May 2020. Therefore demonstrating that the Group has not suffered negatively from the impact of COVID-19 and is in a strong place to meet the base case forecasts.

Overall, the sensitised cash flow forecasts demonstrate that the Group will be able to pay its debts as they fall due for the period to at least 31 December 2021. The Directors are, therefore, satisfied that the financial statements should be prepared on the going concern basis.

See note 4b to the financial statements for further information on going concern.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March 2020.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

d. Revenue recognition

Interactive service revenues are divided into 5 types: development fees, the sale of licences, SaaS, managed services and self-billing revenues.

1) Revenues from development fees (which include set-up fees): these are recognised according to management's estimation of the stage of completion of the project. This is measured by reference to the amount of development time spent on a project compared to the most up to date calculation of the total time estimated to complete the project in full.

   Since the Group has determinate the works incurred are specific to the customer and cannot be used on alternative contracts and Mirada has right to payment for all incurred works, the revenue is recognised over the time.

2) Sale of licence: Revenue from licences are earned from two specific and separate streams.

   i) Where the revenue relates to the sale of a one-off licence, the licence element of the sale is recognised as income when the following conditions have been satisfied:

      - The software has been provided to the customer in a form that enables the customer to utilise it;
      - The ongoing obligations of the Group to the customer are minimal; and
      - The amount payable by the customer is determinable and there is a reasonable expectation of payment.

   The performance obligation included in this type of contract is to provide initially licence and key to access.

   ii) Contract licence fees payable by customers are dependent upon the number of end user subscribers signing up to the customer's digital television service, purchased Set Top Boxes or active devices. Licences cover the right of use of the software in the initial conditions without any right to modify it. None of the contracts have an end or termination date. Typically, once you sign a contract, you keep using the software for many years.

   For this type of contract, revenues are recognised by multiplying the individual licence fee by the net increase in the customer's subscriber base, purchased Set Top Boxes or active devices.

The Group promises to grant a licence that provides a customer with a right to use and obtain substantially all the benefits from the licence. As a consequence of this, the recognition of the revenue is at a point in time at which the licence is granted.

3) SaaS: Some of the licence software are under Software as a Service model (SaaS). Under this model, lower integration set up fees than in other agreements are offset by recurrent monthly licence fee revenues. Revenue for SaaS arrangements are recognised over the period of the arrangement to reflect the ongoing service provision. This is on the basis that the Group's performance under these services does not create an asset with an alternative use to the Group and that the Group has an enforceable right to payment for performance completed to date.

4) Managed services. Revenue is measured on a straight-line basis over the length of the contract i.e. as and when the service is being provided. Length of service is pre-defined in the contract and there are no performance obligations after the contract term is complete.

5) Transactions revenues: These are earned through a revenue-share agreement between Mirada Connect Ltd and the customers for the cashless parking services which are presented in the Mobile segment. The Group are informed by the customer of the amount of revenue to invoice and the revenues are recognised at a point in time in the period these parking services happen. Mirada Connect Ltd was sold in July 2019 to PaybyPhone Ltd, a subsidiary of the Volkswagen Group.

Where agreements involve multiple obligations, the entire fee from such arrangements is allocated to each of the individual obligations based on each obligation's fair value. The revenue in respect of each element is recognised in accordance with the above policies.

Certain revenues earned by the Group are invoiced in advance. As outlined in the revenue recognition policy above, revenues are recognised in the period in which the Group provides the services to the customer, revenues relating to services which have yet to be provided to the customer are deferred.

e. Business combinations

Acquisitions of businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued or to be issued, by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost and is accounted for according to the policy below.

f. Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of tat the balance sheet datehe combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

g. Other intangible assets

Intangible assets acquired as part of a business combination are initially recognised at their fair value and subsequently amortised on a straight-line basis over their useful economic lives. Intangible assets that meet the recognition criteria of IAS 38, "Intangible Assets" are capitalised and carried at cost less amortisation and any impairment losses. Intangible assets comprise of completed technology, acquired software, capitalised development costs and goodwill.

Amortisation of other intangible assets is calculated over the following periods on a straight-line basis:

Completed technology	– over a useful life of 4 years
Deferred development costs	– over a useful life of 3 to 4 years

The amortisation is charged to administrative expenses in the consolidated income statement. Completed technology relates to software and other technology related intangible assets acquired by the Group from a third party. Deferred development costs are internally-generated intangible assets arising from work completed by the Group's product development team.

h. Internally-generated intangible assets – research and development expenditure

Any internally generated intangible asset arising from the Group's development projects are recognised only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If a development project has been abandoned, then any unamortised balance is immediately written off to the income statement. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. The amortisation is charged to administrative expenses in the consolidated statement of comprehensive income.

i. Impairment of non-current assets excluding deferred tax assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the impairment of intangible assets line in the consolidated statement of comprehensive income as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

Goodwill impairments are not reversed.

j. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on current prices, of each asset evenly over its expected useful life, as follows:

– Office & computer equipment 33.3% per annum

– Short-leasehold improvements 10% per annum

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial period end.

k. Right-of-use assets and Lease liabilities (policy applicable as from 1 April 2019)

On 1 April 2019, the Group adopted IFRS 16, on Leases. The Group opted to use the modified retrospective approach on transition which involves applying the standard retroactively with the cumulative effect from the date of first application, without restating the information presented as at 31 March 2019 under the aforementioned standards.

At the start of a contract, the Group evaluates whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The length of time during which the Group uses an asset includes consecutive and non-consecutive periods of time. The Group only re-assesses the conditions when a contract is amended.

In contracts with one or more lease and non-lease components, the Group deems all components as one sole lease component.

The Group has also chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets ($5 thousand or less). For this type of contracts, the Group recognises straight-line payments during the lease term.

i) Lessee accounting

At the commencement of the lease term, the Group recognises a right-of-use asset and lease liability. The right-of-use asset is composed of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for decommissioning or restoration to be incurred, as indicated in the accounting policy provisions.

The Group measures the lease liability as the present value of the lease payments which are outstanding at the commencement date. The Group discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Group measures the right-of-use assets at cost, less depreciation and accrued impairment losses, adjusted by any re-estimate of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease term or if the right-of-use asset includes the price of the purchase option, the depreciation criteria indicated in Note 4.j are applied from the lease commencement date until the end of the useful life of the asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date until the date of the useful life of the right or the end of the lease term, whichever is the earlier.

The Group applies the criteria for impairment of non-current assets set out in Note 4.i to right-of-use assets.

The Group measures the lease liability increasing it by the interest accrued, decreasing it by the payments made and re-assessing the carrying amount due to any amendments to the lease or to reflect any reviews of the in-substance fixed lease payments.

The Group records any variable payments that were not included in the initial valuation of the liability in the Consolidated Income Statement for the period in which the events resulting in payment were produced.

The Group records any re-assessments of the liability as an adjustment to the right-of-use asset, until it is reduced to zero, and subsequently in the Consolidated Income Statement.

The Group re-assesses the lease liability discounting the lease payments at an updated rate, if any change is made to the lease term or any change in the expectation of the purchase option is being exercised on the underlying asset.

The Group re-assesses the lease liability if there is any change in the amounts expected to be paid for a residual value guarantee or any change in the index or rate used for determining payments, including any change for reflecting changes in market rents once these have been reviewed.

The Group recognises an amendment to the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of consideration for the lease increases by an amount consistent with the individual price for the increased

scope and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the amendment does not result in a separate lease, on the amendment date the Group assigns the consideration to the amended contract as indicated above, it re-determines the term of the lease and re-estimates the value of the liability discounting the revised payments at the revised interest rate. The Group writes down the carrying amount of the right-of-use asset to reflect the partial or total end of the lease in any amendments that reduce the scope of the lease and it records the profit or loss in income. For all other amendments, the Group adjusts the carrying amount of the right-of-use asset.

l. Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position at fair value when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and subsequently measured at amortised cost using effective interest method less provision from impairment

Trade receivables represent amounts due from customers in the normal course of business.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. During this process the probability of non-payment of a trade receivable balance is assessed and multiplied by an expected amount of credit loss as a result of the likely credit default. The group has set up a matrix using the age a debtor is overdue and any likely events as a criteria to determine the default probability. This uses 5 categories ranging from 0% to 90% probability.

The Group only have assets that are categorised as amortised cost and the application of ECL has not had a material impact to the impairment provision. As a conclusion, the impact of the IFRS 9 on the Group was immaterial.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12 month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The provision for expected credit losses against receivables from related parties were not material and no charge is made in the current and last year.

Cash and cash equivalents

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

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental external costs directly attributable to the issue of new shares (other than in connection with a business combination) are recorded in equity as a deduction, net of tax, to the share premium reserve.

Bank Borrowings

Interest-bearing bank loans are initially recorded at fair value less direct issue costs. Finance charges are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Invoice discounting

The Group has an invoice discounting facility secured on the trade debtors as specified in Note 17. Liabilities under this arrangement are shown in borrowings.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

m. Employee share incentive plans

The Group issues equity-settled share-based payments to certain employees (including directors). These payments are measured at fair value at the date of grant by use of the Black-Scholes pricing model. This fair value cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of any non market-based vesting conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. A corresponding credit is recorded in equity in the retained earnings.

n. Leases (policy applied through 1 April 2019)

Leases taken by the Group are assessed individually as to whether they are finance leases or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease rental payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The benefit of lease incentives is spread over the term of the lease.

o. Taxation

The tax expense represents the sum of the current tax and deferred tax charges.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

If the Group considers it is likely that the tax authority will accept an uncertain tax treatment, the Group will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns.

If the Group considers it unlikely that the tax authority will accept an uncertain tax treatment, the Group will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. The Group will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability weighted amounts.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

p. Research and development tax credit

Companies within the group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The group accounts for such allowances as tax credits and recognise them when it is probable that the benefit will flow to the group and that benefit can be reliably measured. R&D tax credits reduce current tax expense and, to the extent the amounts due in respect of them are not settled by the balance sheet date, reduce current tax payable.

q. Retirement benefit costs

The Group operates defined contribution pension schemes. The amount charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits is the contributions payable in the period.

Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

r. Foreign exchange

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the result and the financial position of each group company are expressed in US Dollars, which is the presentational currency for the consolidated financial statements.

On translation of balances into the functional currency of the entity in which they are held, exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising on translating the opening statement of financial position and the current year income statements are classified as equity and transferred to the Group's foreign exchange reserve. Such translation differences are recognised as income or an expense in the period in which the operations is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling denominated assets and liabilities.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in notes 3 and 4, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

a. Key judgements

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements.

- **Presenting financial information in USD**

The reporting currency is US Dollar due to the growing exposure to the US Dollar, as all major contracts and most of the new potential deals for the Company are denominated in this currency. The board therefore believes that USD financial reporting provides the best presentation of the group's financial position, funding and treasury functions, financial performance and its cash flows. Coupled with the evolution of the business, the group's shareholder base is now largely comprised of investors to whom financial reporting in GBP is of limited relevance. Internally, the board also bases its performance evaluation and many investment decisions on USD financial information.

- **Capitalised development costs**

Any internally generated intangible asset arising from the Group's development projects are recognised only once all the conditions set out in the accounting policy Internally Generated Intangible Assets (refer to Note 3.h) are met. The amortisation period of capitalised development costs is determined by reference to the expected flow of revenues from the product based on historical experience. Furthermore, the Group reviews, at the end of each financial year, the capitalised development costs for each product for indications of any loss of value compared to net book value at that time. This review is based on expected future contribution less the total expected costs.

The Group capitalises spend on development of new software and the delivery of innovative software. Management exercises judgement in establishing both the technical feasibility of completing an intangible asset which can be sold, and the degree of certainty that a market exists for the asset, or its output, based on feedback from existing and potential customers, for the generation of future economic benefits. In addition, amortisation rates are based on estimates of the useful economic lives and residual values of the assets involved.

b. Key sources of estimation uncertainty

- **Impairment of goodwill and intangibles**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit. This includes the directors' best estimate on the likelihood of current deals in negotiation not yet concluded. Consequently, the outcome of negotiations may vary materially from management expectation. See Note 14 for more details.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Year to 31 March 2020	Development	Transactions	Licenses	Managed services	Total
	$000	**$000**	**$000**	**$000**	**$000**
Mexico	5,642	—	2,945	1,101	9,688
Europe	627	193	10	109	939
Other Americas	1,046	—	569	—	1,615
Asia	668	—	247	—	915
	7,983	**193**	**3,771**	**1,210**	**13,157**
Revenue recognised over a period	7,923	—	—	1,210	9,133
Revenue recognised at a point in time	60	193	3,771	—	4,024
	7,983	**193**	**3,771**	**1,210**	**13,157**

Year to 31 March 2019	**$000**	**$000**	**$000**	**$000**	**$000**
Mexico	5,065	—	3,964	769	9,798
Europe	381	833	73	159	1,446
Other Americas	913	—	17	—	930
Asia	148	—	—	—	148
	6,507	**833**	**4,054**	**928**	**12,322**
Revenue recognised over a period	6,182	—	—	928	7,110
Revenue recognised at a point in time	325	833	4,054	—	5,212
	6,507	**833**	**4,054**	**928**	**12,322**

Licenses revenue are including both contract licenses and SaaS revenue.

Contract balances

The following table provides information about contract assets (included as accrued income) and contract liabilities (included as deferred income) from contracts with customers:

	31 March 2020 $000	31 March 2019 $000
Contract assets (accrued income)	**3,478**	1,891
Contract liabilities (deferred income)	**1,785**	1,019
	5,263	2,910

The movement in the contract assets and liabilities during the year is set out below:

	Contract assets	
	31 March 2020 $'000	31 March 2019 $'000
At 1 April	**1,891**	989
Transfers in the period from contract assets to trade receivables	**(1,891)**	(989)
Excess of revenue recognised over cash (or rights to cash) recognised during the period	**3,478**	1,891
At 31 March	**3,478**	1,891

	Contract liabilities	
	31 March 2020 $'000	31 March 2019 $'000
At 1 April	**1,019**	1,360
Amounts included in contract liabilities recognised as revenue in the period	**(1,019)**	(1,360)
Cash received in advance of performance and not recognised as revenue during the period	**1,785**	1,019
At 31 March	**1,785**	1,019

Contract assets ('accrued income') and contract liabilities ('deferred income') are included within 'Trade and other receivables' and 'deferred income' respectively on the face of the Statement of Financial Position. They arise from the Group's revenue contracts, where work has been performed in advance of invoicing customers, and where revenue is received in advance of work performed. Cumulatively, payments received from customers at each balance sheet date do not necessarily equate to the amount of revenue recognised on the contracts.

7. SEGMENTAL REPORTING

Reportable segments

The chief operating decision maker for the Group is ultimately the board of directors. For financial and operational management, the board considers the Group to be organised into two operating divisions based upon the varying products and services provided by the Group – Digital TV & Broadcast and Mobile. The products and services provided by each of these divisions are described in the Strategic Report. The segment headed other relates to corporate overheads, assets and liabilities.

Segmental results for the year ended 31 March 2020 are as follows:

March 2020

	Digital TV & Broadcast	Mobile	Other	Group
	$000	**$000**	**$000**	**$000**
Revenue	12,963	194	—	13,157
Segmental profit/(loss)	2,392	16	87	2,495
(Adjusted EBITDA, see note 8)				
Gain on disposal of Mirada Connect	—	1,699	—	1,699
Finance income	—	—	65	65
Finance expense	—	—	(177)	(177)
Depreciation	(358)	(2)	—	(360)
Amortisation	(3,499)	—	—	(3,499)
Foreign currency translation differences	—	—	52	52
Profit / (Loss) before taxation	**(1,465)**	**1,713**	**27**	**275**

$0.087 million (2019: $0.100 million) disclosed as "Other" comprises employment, legal, accounting and other central administrative costs incurred at a Mirada Plc level.

The segmental results for the year ended 31 March 2019 are as follows:

March 2019

	Digital TV & Broadcast	Mobile	Other	Group
	$000	**$000**	**$000**	**$000**
Revenue –	11,490	832	—	12,322
Segmental profit/(loss)	1,905	171	(1,262)	814
(Adjusted EBITDA, see note 8)				
Finance income	—	—	141	141
Finance expense	—	—	(523)	(523)
Depreciation	(70)	(10)	—	(80)
Amortisation	(3,578)	—	—	(3,578)
Share-based payment charge	—	—	(70)	(70)
Profit / (Loss) before taxation	**(1,743)**	**161**	**(1,714)**	**(3,296)**

There is no material inter-segment revenue.

The Group has a major customer in the Digital TV and Broadcast segment that generates revenues amounting to 10% or more of total revenue that account for $9.5 million of $13.16m total revenue. This is approximately 72% of all revenue (2019: $9.7 million, out of $12.4m) of the total Group revenues.

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	Assets 2020 $000	Liabilities 2020 $000	Assets 2019 $000	Liabilities 2019 $000
Digital TV – Broadcast & Mobile	**14,488**	**9,328**	11,360	7,675
Other:				
Goodwill	**5,098**	**—**	5,924	—
Other financial assets & liabilities	**490**	**196**	653	279
Total other	**5,588**	**196**	6,577	279
Total Group assets and liabilities	**20,076**	**9,524**	**17,937**	**7,954**

Assets allocated to a segment consist primarily of operating assets such as property, plant and equipment, intangible assets, goodwill and receivables.

Liabilities allocated to a segment comprise primarily trade payables and other operating liabilities.

Geographical disclosures

	External revenue by #location of customer		Total assets by location of assets	
	2020 $000	2019 $000	2020 $000	2019 $000
Mexico	**9,688**	9,799	**34**	23
Europe	**939**	1,445	**20,042**	17,914
Other Americas	**1,615**	930	**—**	—
Asia	**915**	148	**—**	—
	13,157	**12,322**	**20,076**	**17,937**

Revenues by Products:

	Digital TV & Broadcast 2020 $000	Mobile 2020 $000	Digital TV & Broadcast 2019 $000	Mobile 2019 $000
Development	**7,983**	**—**	6,508	—
Transactions	**193**	**—**	832	
Licenses	**3,771**	**—**	4,054	—
Managed Services	**1,210**	**—**	928	—
	12,964	**193**	**11,490**	**832**

8. OPERATING LOSS

This has been arrived at after charging:

	2020 $000	2019 $000
Depreciation of owned assets (notes 15 and 16)	**360**	80
Amortisation of intangible assets (note 14)	**3,499**	3,578
Operating lease charges	**339**	596

Total R&D expenditure capitalised as intangible assets amounts to $4.35m (2019: $3.12m).

The total lease expense not subject to IFRS 16 for short-term as well as low-value leases amounts to $0.339 (refer to Note 15).

Analysis of auditors' remuneration is as follows:

	2020 $000	2019 $000
Fees payable to the company's auditor for the audit of the company's annual accounts	**65**	119
Audit of the account of subsidiaries	**25**	36

Reconciliation of operating profit for continuing operations to adjusted earnings before interest, taxation, depreciation and amortisation:

	2020 $000	2019 $000
Operating loss	**(1,364)**	(2,914)
Depreciation	**360**	80
Amortisation	**3,499**	3,578
Operating profit before interest, taxation, depreciation, amortisation, impairment (EBITDA)	**2,495**	744
Share-based payment charge	—	70
Adjusted EBITDA	**2,495**	814

9. STAFF COSTS AND EMPLOYEE INFORMATION

	Group 2020 $000	Group 2019 $000
Staff costs (including directors) comprise:		
Wages and salaries	**9,037**	8,577
Social security costs	**2,066**	1,796
Other pension costs	**41**	33
Share based payments	—	70
Staff costs	**11,144**	10,476

Contained within staff costs are amounts capitalised as intangible assets totalling $4,354 (2019: $3,115), with $6,790 (2019: $7,249) charged to administrative expenses.

The Group operates a defined contribution pension scheme for certain employees. No directors are members of this scheme in both the current year and the previous year.

The average number of persons, including executive directors, employed by the Group during the year was:

	2020	2019
By activity		
Office and management	**12**	12
Platform and development	**152**	142
Sales and marketing	**9**	9
	173	163

The average number of persons, including executive directors, employed by the Company during the year was 9 (2019: 8) within the office and management team.

Directors and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the company listed on page 2, the Director of Business Development and the Sales Director.

	2020 **$000**	2019 **$000**
Salaries and fees	**1,325**	1,037
Social Security costs	**67**	65
Other benefits	**46**	44
Share-based payments	**—**	52
	1,438	1,198

Directors remuneration

The emoluments received by the directors who served during the year were as follows:

	2020 **$000**	2019 **$000**
Executive directors		
Aggregate emoluments	**820**	669
Non-Executive directors		
Aggregate emoluments	**93**	107
	913	776

The directors' remuneration is disclosed in the Nominations and Remuneration Report on page 30.

Emoluments payable to the highest paid director are as follows:

	2020 **$000**	2019 **$000**
Aggregate emoluments	**319**	273

There were no Company contributions to the pension scheme or benefits on behalf of the highest paid director.

10. FINANCE INCOME

	2020 $000	2019 $000
Interest received on bank deposits	**65**	141
	65	141

11. FINANCE EXPENSE

Finance expenses exclude all fees directly incurred to facilitate borrowing. These include professional fees paid to bank arrangement fees and fees to secure required guarantees.

	2020 $000	2019 $000
Bank interest payable	**122**	221
Interest on loans from related parties	**41**	302
Interests on lease liabilities	**14**	—
	177	523

12. TAXATION

	2020 $'000	2019 $'000
Analysis of tax credit for the year		
Current tax		
UK tax for the current financial year	**(1)**	(113)
Foreign tax on income for the year	**(312)**	(71)
Total current tax (credit)	**(313)**	(184)
Deferred tax		
Origination and reversal of temporary differences		
Adjustment in respect of prior periods	**—**	—
Total deferred tax (credit)	**—**	—
Total tax (credit) for the year	**(313)**	(184)

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of tax of 19% (2019-19%). The differences are reconciled below:

	2020 $000	2019 $000
Profit/(loss) before taxation	**275**	(3,296)
Loss on ordinary activities multiplied by 19% (2019: 19%)	**52**	(626)
Losses carried forward/(utilised)	**(52)**	626
Witholding Taxes	**112**	321
Total current tax	**112**	321
Subtotal	**112**	321
Tax benefit from research and development expenditure	**(486)**	(462)
Foreign exchange	**61**	(43)
Total tax credit	**(313)**	(184)

Deferred Taxation

Deferred taxation amounts not recognised are as follows:

	Group 2020 $000	Group 2019 $000
Losses	**16,828**	16,880
Research & Development Tax Credits, Useable against future profits	**2,722**	2,868
Balance at the end of the year	**19,550**	19,748

The gross value of tax losses carried forward at 31 March 2020 equals $78.6 million (2019: $78.7 million).

13. EARNINGS PER SHARE

	Year ended 31 March 2020 Total	Year ended 31 March 2019 Total
Profit/(loss) for year	**$588,607**	$(3,111,688)
Weighted average number of shares	**890,843,408**	520,652,606
Basic loss per share	**$0.001**	$(0.006)
Diluted loss per share	**$0.001**	$(0.006)

After the cancellation of share premium approved by the General Meeting on 10 September 2019, the Company has 41,483 (2019: 4,697,166) potentially dilutive ordinary shares arising from share options issued to staff. However, in 2020 and 2019 the profit/(loss) attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

14. INTANGIBLE ASSETS

	Deferred development costs $000	Completed Technology $000	Total Intangible assets $000	Goodwill $000
Cost				
At 1 April 2018	24,173	1,897	26,070	41,977
Additions	3,116	11	3,127	—
Foreign exchange	(2,252)	(147)	(2,399)	(3,128)
At 31 March 2019	25,037	1,761	26,798	38,849
At 1 April 2019	25,037	1,761	26,798	38,849
Additions	4,314	5	4,319	—
Disposal	—	—	—	(688)
Foreign exchange	(369)	(69)	(438)	(1,690)
At 31 March 2020	28,982	1,697	30,679	36,471
Accumulated amortisation and impairment				
At 1 April 2018	17,326	1,672	18,998	35,485
Provided during the year	3,455	123	3,578	—
Foreign exchange	(1,502)	(131)	(1,633)	(2,560)
At 31 March 2019	19,279	1,664	20,943	32,925
At 1 April 2019	19,279	1,664	20,943	32,925
Provided during the year	3,455	44	3,499	—
Foreign exchange	(328)	(66)	(394)	(1,552)
At 31 March 2020	22,406	1,642	24,048	31,373
Net book value				
At 31 March 2020	**6,576**	**55**	**6,631**	**5,098**
At 31 March 2019	**5,758**	**97**	**5,855**	**5,924**
At 31 March 2018	**6,847**	**225**	**7,072**	**6,492**

The key assumptions for the value in use calculations are those regarding the discount rate applied, and the forecast sales growth in a five year budget period approved by management. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The cash flow forecast has been prepared with revenue being forecast per customer based on historical performance of the business.

There is 1 CGUs that has been assessed for impairment, being Digital TV – Broadcast. The sales growth forecasts are based on current contracts and management's estimate of revenues relating to opportunities that are currently being pursued. CGUs defined is: "Digital TV – Broadcast" which refers to the provision of software for the Digital TV market. Major customers are Digital TV platforms, mostly Pay TV service providers and the Group provide the technology needed to facilitate the final user's interaction with the devices they provide. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast post-tax cash flows for the CGU is 10% (2019: 10%). A 2% increase/decrease to the discount rate does not result in an impairment. A 10% decrease in the five years cash flow and terminal value forecast for both CGUs does not result in an impairment. A perpetual rate of 2% (2019: 1.5%) has been used in the impairment assessment. Even without perpetual rate, no impairment is required. If WACC had increased to 87%, the CGU would have impaired.

During the current and last financial periods, no impairment has been recognised. The split of goodwill by CGU is as follows:

	Group 2020 $000	Group 2019 $000
Digital TV – Broadcast	**5,098**	5,199
Connect	**—**	725
	5,098	5,924

On 5 July 2019, the Group announced the sale of the wholly owned subsidiary Mirada Connect Ltd. to PayByPhone UK Limited (subsidiary of Volkswagen Financial Services, AG), for a consideration of $2.36 million (£2.12 million). As a result, the Group recognize a gain of $1.70 million as shown in the Consolidated Income Statement. As a consequence of said disposal, the results of Mirada Connect Ltd are included as part of the consolidation scope from 1 April 2019 to the effective date of disposal.

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

On 1 April 2019, the Group adopted IFRS 16 on Leases (refer to Note 3.a). The breakdown of changes in right-of-use assets for the year ended as at 31 March 2020 is as follows:

	Short term leasehold improvements $000
Cost	
Balance at 31 March 2019	—
First application IFRS 16 (Note 3.a)	492
Balance at 1 April 2019	**492**
Additions	249
Foreign exchange	(10)
Balance at 31 March 2020	**731**
Amortization	
Balance at 1 April 2019	**—**
Provided during the year	(249)
Balance at 31 March 2020	**(249)**
Balance at 31 March 2019	**–**
Balance at 1 April 2019	**492**
Balance at 31 March 2020	**482**

Of the total amount of rights-of-use assets at 31 March 2020, $0.301 m correspond to buildings and $0.181 m to vehicles.

Regarding to the lease contracts, the Group has a dispersed portfolio. The average duration of property lease contracts is 2 years, and 3 years for vehicles.

The right-of-use has been defined according to the duration of the contract in force for each asset.

The liabilities recognized as a consequence of the IFRS 16 first application as of 1 April 2019 (refer to Note 3.a) are included in the heading "Lease liabilities". The breakdown of changes in lease liabilities for the year ending at 31 March 2020 is as follows:

	$000
Balance at 31 March 2019	–
First application IFRS 16 (Note 3.a)	492
Balance at 1 April 2019	**492**
Additions	248
Write offs	(256)
Finance expense (Note 11)	14
Foreign exchange	(10)
Balance at 31 March 2020	**488**

The analysis of the contractual maturity date of the lease liabilities, including the current interest, is as follows:

			2020 $000			
	Currency	Interest Rate	Less than one year	1 to 3 years	More than 3 years	Total
Lease liabilities	EUR	3%	**229**	**216**	**43**	**488**
			229	**216**	**43**	**488**

The average incremental discount rates for the main countries affected by this standard, used for calculating the current value of the rights of use and lease liabilities recognised at the date of first-time application of IFRS 16 were as follows:

	Average rate Between 1 and 3 years	Average rate More than 3 years
Spain	3%	3%

As indicated in Note 3.a, the Group has chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements and leases for low value assets. Those exceptions have been recorded entirely under the heading of operating leases. The total lease expense not subject to IFRS 16 for short-term as well as low-value leases amounts to $0.339 m (refer to Note 8).

16. PROPERTY, PLANT AND EQUIPMENT

	Office and computer equipment $000	Short term leasehold improvements $000	Total $000
Cost			
At 1 April 2018	1,205	146	1,351
Additions	80	—	80
Foreign exchange	(98)	(10)	(108)
At 31 March 2019	1,187	136	1,323
At 1 April 2019	1,187	136	1,323
Additions	126	—	126
Disposals	(30)	(9)	(39)
Foreign exchange	(36)	(6)	(42)
At 31 March 2020	1,247	121	1,368
Amortisation			
At 1 April 2018	1,027	77	1,104
Provided during the year	64	16	80
Foreign exchange	(78)	(5)	(83)
At 31 March 2019	1,013	88	1,101
At 1 April 2019	1,013	88	1,101
Provided during the year	67	44	111
Disposals	(24)	(6)	(31)
Foreign exchange	(35)	(7)	(42)
At 31 March 2020	1,021	119	1,140
Net book value			
At 31 March 2020	**226**	**2**	**228**
At 31 March 2019	**174**	**48**	**222**

17. TRADE & OTHER RECEIVABLES

	Group 2020 $000	Group 2019 $000
Trade receivables	**1,987**	1,889
Other receivables	**1,025**	1,183
R&D tax credit	**327**	281
Contract assets	**3,478**	1,891
Prepayments	**149**	177
	6,966	5,421
Non current R&D tax credit	**486**	398
	486	398

As of 31 March 2020, the Group has a short-term receivable with the Spanish Tax Agency amounting to $0.327m (2019: $0.281m) regarding the FY19 deductions for technological innovation.

Furthermore, there is a long-term receivable of $0.486m (2019: $0.398m) related to the estimation of the deduction for technological innovation generated in FY20.

Trade receivables

Trade receivables net of allowances are held in the following currencies:

	2020 $000	2019 $000
Sterling	**402**	105
US Dollars	**1,487**	1,691
Euro	**98**	93
Total	**1,987**	1,889

The fair values of trade and other receivables are the same as book values as credit risk has been addressed as part of impairment provisioning and, due to the short terms nature of the amounts receivable, they are not subject to other ongoing fluctuations in market rates.

Before accepting any new customer, the Group uses a credit approval process to assess the potential customer's credit quality and defines credit limits by customer.

Movement in allowance for doubtful debts:

	2020 $000	2019 $000
Balance at beginning of year	**—**	—
Utilised in year	**—**	—
Balance at the end of the year	**—**	—

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable set out above.

18. TRADE & OTHER PAYABLES

The fair values of trade and other payables are the same as book values as due to the short terms nature of the amounts payable, they are not subject to other ongoing fluctuations in market rates.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 46 days (2019: 37 days).

	2020 **$000**	2019 **$000**
Trade payables	**342**	253
Other payables	**880**	903
Other taxation and social security taxes	**536**	335
Accruals	**261**	468
Contract liabilities	**1,785**	1,018
	3,804	2,977

Maturity analysis of the group financial liabilities, excluding other taxation and social security and deferred income, is as follows:

	Group 2020 **$000**	Group 2019 **$000**
Up to 3 months	**1,080**	444
3 to 6 months	**86**	1,055
6 to 12 months	**317**	125
	1,483	1,624

19. LOANS AND BORROWINGS

	2020 **$000**	2019 **$000**
Advances Drawn on invoice discounting facilities	**1,081**	882
Bank loans	**1,502**	2,134
Other Loans	**237**	241
Related parties loans	**7**	—
	2,827	3,257
The borrowings are repayable as follows:		
Up to 3 months	**2,132**	2,289
3 to 6 months	**140**	248
6 to 12 months	**555**	720
On demand or within one year	**2,827**	3,257

At 31 March 2020, the Group had $0.53 million in available credit lines not used (2019: $0.33 million) and $1,064 million in available invoice discounting facilities not used (2019: $2.37 million), with a 3% interest rate in average (2019: 3%).

The above bank loans are denominated in Euros and are unsecured.

Interest-bearing bank loans are initially recorded at fair value less direct issue costs.

On 4 June 2019, the Company announced that the subsidiary Mirada Iberia, S.A.U., had entered into a new revolving credit facility for up to €1.3 million (the "Facility"). The proceeds from the Facility are to be used alongside Mirada's existing debt financing facilities for general working capital purposes and capex of the Company, including the implementation of customer contracts announced and in prospect.

The total amount withdrawn at 31 March 2020 was €1.1 million.

Directors estimate the fair value of the Group's borrowing to be consistent with its carrying value. There is no material difference between the value of the gross undiscounted cash flows and carrying amounts in the statement of financial position.

20. NON-CURRENT LIABILITIES

	2020 $000	2019 $000
Interest bearing loans and borrowings:		
Bank loans	**228**	494
Other loans	**967**	1,227
Related parties loans	**1,210**	—
	2,405	1,721

Other loans relate to loans received by the Group's Spanish operation to assist in funding the continued development of the Group's Digital TV products.

Capital risks have been analysed in the Director's report (pages 23-28)

Net Debt

Net Debt is calculated based on short term loans, long terms loans and cash and cash equivalents:

	2020 $000	2019 $000
Loans and borrowings – Current	**2,827**	3,257
Loans and borrowings – Non Current	**2,405**	1,721
Cash	**(185)**	(117)
Net Debt	**5,047**	4,861

Borrowings, including interest, are repayable as follows:

	2020 $000	2019 $000
Bank loans		
On demand or within one year	**661**	1,062
Between one and two years	**171**	272
Between two and five years	**87**	239
	919	1,573
Other loans		
On demand or within one year	**1,103**	1,346
Between one and two years	**345**	247
Between two and five years	**470**	674
More than 5 years	**156**	318
	2,074	2,585
Related parties loans		
On demand or within one year	**7**	—
Between one and two years	**1,210**	—
	1,217	—
Advances drawn on invoice discounting		
On demand or within one year	**1,081**	882
	1,081	882
Total borrowings		
On demand or within one year	**2,851**	3,290
Between one and two years	**1,726**	519
Between two and five years	**557**	914
More than 5 years	**156**	318
	5,290	5,041

21. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution pension schemes. The pension charge for the period represents contributions payable by the Group to the schemes and amounted to $40,769 (2019: $33,196).

At 31 March 2020, contributions amounting to $7,655 (2019: $7,440) were payable and included in other payables.

22. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 19 and 20, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity and Note 23.

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Categories of financial instruments

	2020 $000	2019 $000
Financial assets		
Amortised cost:		
- Trade and other receivables, excluding prepayments	**6,490**	3,072
- Cash and cash equivalents	**185**	117
	6,675	3,189
Financial liabilities		
Amortised cost:		
- Trade and other payables*	**1,483**	1,624
- Loans and borrowings due within one year	**2,827**	3,257
- Interest bearing loans and borrowings due after one year	**2,405**	1,721
	6,715	6,602

* Excluding other taxation, social security and contract liabilities.

Financial risk management objectives

The Group monitors and manages the risks relating to the financial instruments held. These risks are discussed in further detail below.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group does not use forward foreign exchange contracts to hedge exchange rate risk.

Foreign currency risk management

The Group has undertaken certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The majority of cash at bank is held in Sterling and Euro accounts. There are also trade balances in these currencies. The Group is increasingly signing more sales contracts in US dollars and is currently investigating ways of reducing the risk on any potential future fluctuations in the US dollar exchange rate. Any foreign exchange gains or losses on trading activities are recognised in the consolidated income statement.

The company is aware that the UK's decision to leave the European Union may affect the intercompany trading between the different subsidiaries. We will adapt our internal policies accordingly if required. In the short term, exchange rates are likely to increase the GBP denominated revenues, as the primary cash inflows for the Group are based in US dollars. Brexit has not been considered to be as a principal risk due to the non-EU focussed customer base.

The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2020 **$000**	2019 **$000**	2020 **$000**	2019 **$000**
US Dollar denominated assets and liabilities	**—**	—	**1,487**	1,691
Euro denominated assets and liabilities	**8,813**	7,487	**6,649**	5,184

Entities from United Kingdom have no balances denominated in Euro/USD.

Foreign currency sensitivity analysis

In fiscal years 2019 and 2020, the Company has used US Dollar as presentational currency. The following table details the Group's sensitivity to a 20% increase and decrease in USD against the Euro and to a 20% increase and decrease in USD against Sterling. The sensitivity analysis includes Euro and Sterling denominated monetary items and adjusts their translation at the period end for a 20% change in the Euro/USD rate and for a 20% change in the Sterling/USD rate at March 31, 2019 and March 31, 2020. A positive number below indicates an increase in profit and other equity where US Dollar strengthens against the relevant currency. For a weakening of US Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative. The sensitivities below are based on the exchange rates at the balance sheet used to convert the asset or liability to US Dollar.

	Profit and loss impact	
	2020 **$000**	2019 **$000**
Euro	**(541)**	(553)
Sterling	**(314)**	(772)

Interest rate risk management

At 31 March 2020, the Group was exposed to interest rate risk as the interest payable on some of the Group's loans and borrowings are linked to Euribor. The Group's loans and borrowings where interest payable is linked to Euribor include bank loans and development loans totalling $76,148. The remaining bank loans totalling $1,993,641 pay fixed rates of interest.

Neither interest rate swaps contracts nor forward interest rate contracts are used to hedge any risks arising.

If interest rates changed by 1% (100 basis points) the profit and loss impact would not be material to the Group's results.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group faces exposure to credit risk on its trade receivables and cash equivalents. The Group has some exposure to credit risk from credit sales. It is the Group's policy to assess the credit risk of new customers before entering into contracts. Historically, as Mirada's customers are mainly broadcasters and medium/large telecommunication companies, bad debts across the Group have been low.

The risk of financial loss arising from defaults on trade receivables is mitigated by the Group using a credit approval process to assess the potential customers' credit quality and also establishes credit limits by customer. The limits and credit scores attributed to customers is reviewed bi-annually however, the sales ledger is reviewed at least monthly to ensure all receivables are recoverable.

Please refer to Note 17 for further details on trade receivables, including analyses of bad debts, ageing and profile by currency.

The Group believes the credit risk on liquid funds, being cash and cash equivalents, to be limited because the counterparties are banks with high-credit ratings assigned by international credit-rating agencies. The table below shows the balance of counterparties at the reporting date in excess of 10% of the overall balance, together with the Standard and Poor's credit rating symbols.

		2020		2019	
Counterparty	Rating	% of overall cash & cash equivalents	Carrying amount $000	% of overall cash & cash equivalents	Carrying amount $000
Santander	A	**1.5%**	**3**	4.9%	6
La Caixa	BBB+	**0.0%**	**0**	0.1%	—
BBVA	A-	**51.5%**	**95**	25.8%	30
Barclays	A	**28.9%**	**53**	62.5%	73
Ibercaja	BB+	**0.4%**	**1**	3.0%	4
Bankia	BBB	**6.6%**	**12**	—	—
Sabadell	BBB	**3.3%**	**6**	—	—
Banamex	BBB	**6.4%**	**12**	—	—

Liquidity risk management

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As part of this monitoring the Group ensures that the financial liabilities due to be paid can be met by existing cash and cash equivalents, forecasted receipts from customers and borrowing facilities.

Tables showing the maturity profile of the Group's financial liabilities are included in Notes 18, 19 and 20.

23. SHARE CAPITAL

A breakdown of the authorised and issued share capital in place as at 31 March 2020 and 2019 is as follows:

	2020		2019	
	Number	**$000**	**Number**	**$000**
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	**890,843,408**	**12,015**	890,843,408	12,015

On 28 November 2017, the Company announced it had entered into agreements for the provision to the Company of unsecured one-year loan facilities of up to an aggregate amount of $2.4 million. The facility had certain conditional subscription rights in respect of new ordinary shares of 1p each in the capital of the Company. The facility was provided by Kaptungs Limited, Kronck Business S.A. and Minles Corporation Inc. This facility was converted into share capital as announced on 29 August 2018, through the issue of 151,785,713 ordinary shares.

On 7 March 2018, the Company announced it had entered into a secured one-year loan facility for up to $4.2 million. This facility was provided by Kaptungs Limited. This facility was converted into capital as announced on 4 October 2018 through the issue of 300 million ordinary shares.

On 5 October 2018, the Company announced it had raised £3 million before expenses, by way of a subscription of 300 million new Ordinary Shares at 1p per share by a substantial shareholder of the Company, Kaptungs Limited.

Kaptungs Limited is an investment company which is beneficially owned by Mr. Ernesto Luis Tinajero Flores and has a total beneficial interest of 776,879,163 Ordinary Shares in Mirada, which represents 87.21 per cent of the voting rights in the Company.

24. RESERVES

Share premium

The amount subscribed for share capital in excess of nominal value.

On 21 January 2020, the Group announced the completion of the Share Premium account cancelation amounting to $16 millions (£10 millions). The Share Premium reduction was performed in order to create a new reserve against which the Group have performed credit its profit and loss account included as part of the heading "other reserves".

As at 31 March 2019, the amount credited to the Company's balance sheet as paid up share capital was £8,908,435. Accordingly, the proportion of the Company's accumulated losses to the aggregate of its share capital, share premium and other reserves was approximately 65.7%. In accordance with EU Regulation 651/2014 the Company's overseas subsidiary, Mirada Iberia SAU, would currently be restricted from obtaining certain types of additional publicly funded research and development loans that are available in Spain from the Centre for the Development of Industrial Technology on advantageous commercial terms, unless the accumulated losses of the Company are less than 50% of the aggregate of its total share capital, share premium and other reserves. Therefore, by cancelling the Company's share premium account and crediting such amount to the Company's balance sheet Mirada Iberia SAU should then be able to improve its position to access such publicly funded loans, should it be required, as its accumulated losses will then be less than 50% of its share capital and other reserves.

The Share Premium Account Cancellation has not affected the voting or dividend rights of Shareholders and will not affect the number of Ordinary Shares in issue or the nominal value per Ordinary Share.

Other Reserves – Foreign exchange reserve

This reserve relates to exchange differences arising on the translation of the balance sheet of the Group's foreign operations at the closing rate and the translation of the income statement of those operations at the average rate.

Other Reserves- Merger reserve

Under the provisions of s612 of the Companies Act 2006, the premium that arose on the shares issued as consideration in the acquisition of Mirada Iberia S.A, formally known as Fresh Interactive Technologies S.A, has been taken to the merger reserve.

25. SHARE BASED PAYMENTS

Equity settled share option scheme

On 20 December 2013 the Company granted a total of 5,301,238 share options to certain employees and directors through approved and unapproved share option schemes. The exercise price for these options is £0.10. The exercise of these options is not subject to any performance criterion and they vest in three equal instalments on 1 January 2015, 1 February 2015 and 1 March 2016. If the options remain unexercised after a period of ten years from the date of grant the options expire. The options are forfeited if the employee leaves before the options vest.

The directors granted options under this scheme are as follows:

	No. of share options
José Gozalbo Sidro	938,728
José Luis Vázquez	631,464
Francis Coles	185,888

In prior periods the Company has granted share options to employees and directors through approved and unapproved share option schemes. The exercise of options for all options granted during the 12 months ended 31 March 2008 is subject to a performance criterion being satisfied. The exercise of options granted prior to 1 January 2007 is not subject to any performance criterion. If the options remain unexercised after a period of ten years from the date of grant, the options expire. The options are forfeited if the employee leaves before the options vest.

In accordance with IFRS 2 the Group has elected not to apply IFRS 2 to options granted on or before 7 November 2002 or to options which had vested by 1 January 2006.

Details of the share options outstanding during the period for options issued since 22 June 2007 are as follows:

	2020		2019	
Counterparty	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at the beginning of period	**4,697,166**	**0.10**	4,697,166	0.10
Lapsed during period	**(548,850)**	**0.10**	—	0.10
100-1 Share consolidation	**41,483**	**—**	—	—
Outstanding at the end of the period	**41,483**	**0.10**	4,697,166	0.10
Exercisable at the end of the period	**41,483**	**0.10**	4,697,166	0.10

The General Meeting held on 10 September 2019 approved a 100 to 1 share consolidation. The total outstanding share options on 9 September 2019 was 4,148,316 (4,697,166 at 30 September 2018). Therefore, as of 31 March 2020, the Company may issue up to 41,483 additional ordinary shares arising in connection with existing share options granted to staff, management and directors.

The options outstanding at 31 March 2020 and at 31 March 2019 had an exercise price of £0.10.

The options outstanding at 31 March 2020 had a weighted average remaining contractual life of 1.4 years (2019: 2.4 years).

For the year ended 31 March 2020, the Group has recognised a total expense of $0 (2019: $70,000) related to equity-settled share-based payment transactions.

The estimated fair values for determining this charge were calculated using the Black-Scholes option pricing model. This produces a fair value for each grant of options made and the fair value is then charged over the vesting period, which is three years.

26. OPERATING LEASE ARRANGEMENTS

On 1 April 2019, the Group adopted IFRS 16 on Leases (refer to Note 3.a). The Group has chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements and leases for low value assets (refer to Note 4.k).

The total lease expense not subject to IFRS 16 for short-term as well as low-value leases amounts to $0.339 (refer to Note 8).

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 $000	2019 Restated $000
Within one year	**157**	492
In second to fifth years inclusive	**94**	468
	251	960

In the prior year financial statements, the commitment amounting US$ 398k relating to an "option to renew a lease for 7 years" was mistakenly disclosed as a non-cancellable operating lease. This has resulted in restating prior year's disclosure of Operating lease arrangements Note. This adjustment does not impact Consolidated Statement of Comprehensive Income or Consolidated Statement of Financial Position. Operating lease payments represent rentals payable by the Group for its office properties. Leases of buildings are subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs. Operating lease payments represent rentals payable by the Group for its office properties. Leases of buildings are subject to rent reviews at specified intervals and provide for the leasee to pay all insurance, maintenance and repair costs.

27. NOTES SUPPORTING CASH FLOW STATEMENT

Cash and cash equivalents comprise:

	2020 $000	2019 $000
Cash available on demand	**185**	117
Net cash increase/(decrease) in cash and cash equivalents	**68**	(1,820)
Cash and cash equivalents at beginning of year	**117**	1,937
Cash and cash equivalents at end of year	**185**	117

Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

	2020 $000	2019 $000
Sterling	**53**	74
Mexican Peso	**12**	—
Euro	**120**	43
Total	**185**	117

Reconciliation of liabilities from financing activities:

	2019 $000	Cash outflows	Cash inflows	Non-cash changes		2020 $000
				Other non-cash movement	Foreign exchange movement	
Bank loans	2,628	(1,723)	877	—	(52)	**1,730**
Other loans	1,468	(237)	—	—	(27)	**1,204**
Related party loans	—	—	1,210	7	—	**1,217**
Advances drawn on invoice discounting	882	(864)	1,081	—	(18)	**1,081**
Payment of principal on lease liabilities	—	(242)	—	—	—	**(242)**
Interests on lease liabilities	—	(14)	—	—	—	**(14)**
Total liabilities from financing activities	**4,978**	**(3,080)**	**3,168**	**7**	**(97)**	**4,976**

Significant non-cash transactions are as follows:

	2020 $000	2019 $000
Financing activities		
Conversion of related party loans	**—**	6,093

28. RELATED PARTY TRANSACTIONS

On 4 June 2019, the Company announced that the subsidiary Mirada Iberia, S.A.U., had entered into a new revolving credit facility for up to €1.3 million (the "Facility"). The Facility was provided by Leasa Spain, S.L.U. The proceeds from the Facility are to be used alongside Mirada's existing debt financing facilities for general working capital purposes and capex of the Company, including the implementation of customer contracts announced and in prospect.

The total amount drawdown at 31 March 2020 was €1.1 million.

29. EVENTS AFTER THE REPORTING DATE

On 11 March 2020, the World Health Organisation declared the coronavirus COVID-19 outbreak a pandemic, due to its fast spread around the World, after impacting more than 150 countries. Most governments are taking constrain measures to contain the spread, which include: isolation, confinement, quarantine and restrictions to free movement of people, closure of public and private facilities, except for health and essential goods, border closures and substantial reduction of air, sea, and land traffic.

This situation is affecting significantly the global economy, due to disruption or slowdown of supply chains and a significant increase in economic uncertainty, as shown by an increase of volatility in the price of assets, exchange rates and a decrease in long term interest rates.

At the date of issuance of this report it is not possible to make a reasonable estimation of the current and future consequences of this crisis on the company. The Company's Management will evaluate, during between 1 April 2020 and 31 March 2020, the impact of the matters previously described and those that could be identified in the future on the financial position of the Company as at 31 March 2021.

On 21 May 2020, Mirada Iberia, S.A.U., has agreed an extension to the term of its €1.30 million credit facility granted by Leasa Spain, S.L.U. The term of the Facility has been extended by 12 months and now expires on 30 November 2021, 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 and bearing in mind the global uncertainties presented by the COVID-19 pandemic.

COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2020

Company number 03609752

	Note	2020 $000	2019 $000
Investments	iv	**10,430**	10,991
Non-current assets		**10,430**	10,991
Trade and other receivables	v	**437**	649
Cash and cash equivalents		**53**	4
Current assets		**490**	654
Total assets		**10,920**	11,644
Trade and other payables	vi	**(1,744)**	(3,161)
Current liabilities		**(1,744)**	(3,161)
Net current liabilities		**(1,254)**	(2,508)
Total assets less current liabilities		**9,176**	8,483
Total liabilities		**(1,744)**	(3,161)
Net assets		**9,176**	8,483
Issued share capital and reserves attributable to equity holders of the company			
Share capital	ix	**12,015**	12,015
Share premium		**—**	15,995
Other reserves		**848**	(1,630)
Accumulated losses		**(3,687)**	(17,897)
Equity		**9,176**	8,483

As permitted by section 408 of the Companies Act 2006, the Parent company's statement of Comprehensive Income has not been included in these financial statements. The profit for the financial year for the parent company was $1,120,787 (2019 – loss of $732,000).

These financial statements were approved and authorised for issue on 15 July 2020.

Signed on behalf of the Board of Directors

José-Luis Vázquez
CHIEF EXECUTIVE OFFICER

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Share premium	Foreign exchange reserves	Accumulated losses	Total
	$000	$000	$000	$000	$000
Balance at 1 April 2019	**12,015**	**15,995**	**(1,630)**	**(17,897)**	**8,483**
Profit for the year	—	—	—	1,121	1,121
Other comprehensive income					
Movement in foreign exchange reserve	—	—	2,478	—	2,478
Total comprehensive profit for the year	**—**	**—**	**2,478**	**1,121**	**3,599**
Transactions with owners					
Share premium cancelation	—	(15,995)	—	13,089	(2,906)
Balance at 31 March 2020	**12,015**	**—**	**848**	**(3,687)**	**9,176**

	Share capital	Share premium	Foreign exchange reserves	Accumulated losses	Total
	$000	$000	$000	$000	$000
Balance at 31 March 2018 (as previously restated)	**2,261**	**15,760**	**(1,609)**	**(17,420)**	**(1,008)**
Prior year adjustement (Note i)	—	—	—	185	185
Balance at 1 April 2018 (restated)	2,261	15,760	(1,609)	(17,235)	(823)
Loss for the year	—	—	—	(732)	(732)
Other comprehensive income	—				
Movement in foreign exchange reserve	—	—	(21)	—	(21)
Total comprehensive loss for the year	**—**	**—**	**(21)**	**(732)**	**(753)**
Transactions with owners					
Share-based payment	—	—	—	70	70
Issue of shares	3,896	—	—	—	3,896
Conversion of convertible loans into shares	5,858	235	—	—	6,093
Balance at 31 March 2019	**12,015**	**15,995**	**(1,630)**	**(17,897)**	**8,483**

I. ACCOUNTING POLICIES

Basis of accounting

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Principal accounting policies for the company are consistent of those for the group company which are disclosed in Note 4 of the group accounts, page 44. Further polices considered in the company financial statements are listed below.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of certain disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Mirada plc. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

New standards, amendments and IFRIC interpretations

- **IFRS 16 – Leases**

This Standard replaces the following standards: (a) IAS 17 Leases; (b) IFRIC 4 Determining Whether an Arrangement Contains a Lease; (c) SIC-15 Operating Leases – Incentives; and SIC-27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

IFRS 16 establishes that companies that are lessee in lease contracts will recognise in the consolidated balance sheet the liabilities and assets of lease contracts (except short-term and low-value lease agreements). Furthermore, the operating lease expense has been replaced by a charge for straight-line amortisation of right of use assets and an interest expense on lease liabilities.

This standard has not introduced significant changes in the accounting for lease contracts by the lessor.

The Company previously classified leases as operating or finance leases under IAS 17 (refer to note 26). With respect to the leases classified as finance leases in accordance with IAS 17, the book value of the right of use asset and the lease liability on the date of first-time application date will be the carrying amount of the lease asset and the lease liability immediately prior to that date, measured in accordance with IAS 17. With respect to those leases, the lessee will record the asset by right of use and the lease liability in accordance with this standard as of the date of first-time application.

The Company has opted to apply the modified retrospective approach, without restating the comparative information presented as at 31 March 2019 under the aforementioned standards. Under this option, the Group has calculated the lease liability as the current value of the outstanding instalments on the contracts in force at the date of first-time application determined on the basis of the incremental interest rates on the aforementioned date and has recognised the value of the right-of-use asset for the same amount of the lease liability calculated at 1 April 2019.

The average incremental discount rates for the main countries affected by this standard, used for calculating the current value of the rights of use and of the operating lease liabilities recognised at the date of first-time application of IFRS 16 are detailed in note 15.

The right of use and lease liability were defined according to the original contract term.

IFRS 16 establishes two exceptions for the lease recognition that included the low-value lease agreements (amount equal or less than to $5 thousand) and short-term lease agreement (for a period equal or less of 12 months). For these cases, the expenditures are recognised as expense during the term of the lease agreement. Group has taken advantage of

these 2 exceptions in determining ROU assets and Lease liability.

To calculate this impact, the Company has analysed, among other factors, the duration of the significant leases considering whether the agreements can be terminated early or not and whether or not the durations can be unilaterally extended by the lessee and, in both cases, the degree of certainty, which, in turn, depends on the expected use of the assets located in the underlying properties leased.

An updated accounting policy has been set out in the Leases policy below.

The impact of application of the standard is included in note 3.a.

- **IFRIC 23 – Uncertainty over Income Tax Treatments**
- **Amendments to IFRS 9 – Prepayment Features with Negative Compensation**
- **Amendments to IAS 19 – Employee Benefits**
- **Annual Improvements to IFRS Standards 2015–2017 Cycle**

New Standards, interpretations and amendments not yet effective

The Group expects to adopt the following standards, which have not been adopted early, as of 1 April 2020:

Amendments to IAS 1 and IAS 8

Definition of materiality or with relative importance. This amendment clarifies the definition of materiality or relative importance and how it should be applied by introduction in the definition of guides that until now have been addressed in other parts of the IFRS Standards; improving the explanations that accompany the definition and ensuring that the definition of materiality or with relative importance is consistent throughout all IFRS Standards. The Group will consider the new definition of materiality and do not foresee significant impact in the preparation of the consolidated financial statement.

Going concern

As disclosed in Note 4 from the consolidated financial statement, Directors have prepared a cash flow forecast covering a period extending beyond 12 months from the date of these financial statements. Different scenarios have been considered including worse possible cases. The forecast contains certain assumptions about the performance of the business. These assumptions are the directors' best estimate of the future development of the business, including consideration of cash reserves required to support working capital and its new growth initiatives. Based on this cash flow forecasts, directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Right-of-use assets and Lease liabilities (policy applicable as from 1 April 2019)

On 1 April 2019, the Company adopted IFRS 16, on Leases. The Company opted to use the modified retrospective approach on transition which involves applying the standard retroactively with the cumulative effect from the date of first application, without restating the information presented as at 31 March 2019 under the aforementioned standards.

At the start of a contract, the Company evaluates whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The length of time during which the Company uses an asset includes consecutive and non-consecutive periods of time. The Company only re-assesses the conditions when a contract is amended.

In contracts containing one or more components which are lease-related and non-lease related, the Company assigns the consideration set in the contract for each lease component according to the sales price of each individual lease-related component, and the aggregate individual price of the non-lease related components.

In contracts with one or more lease and non-lease components, the Company deems all components as one sole lease component.

The Company has also chosen to not recognise in the balance sheet the lease liabilities and the right-of-use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets ($5 thousand or less). For this type of contracts, the Group recognises straight-line payments during the lease term.

Lessee accounting

At the commencement of the lease term, the Company recognises a right-of-use asset and lease liability. The right-of-use asset is composed of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for decommissioning or restoration to be incurred, as indicated in the accounting policy provisions.

The Company measures the lease liability as the present value of the lease payments which are outstanding at the commencement date. The Company discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Company measures the right-of-use assets at cost, less depreciation and accrued impairment losses, adjusted by any re-estimate of the lease liability.

If the contract transfers ownership of the asset to the Company at the end of the lease term or if the right-of-use asset includes the price of the purchase option, the depreciation criteria indicated in Note 4.j are applied from the lease commencement date until the end of the useful life of the asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date until the date of the useful life of the right or the end of the lease term, whichever is the earlier.

The Company applies the criteria for impairment of non-current assets set out in note 4.i to right-of-use assets.

The Company measures the lease liability increasing it by the interest accrued, decreasing it by the payments made and re-assessing the carrying amount due to any amendments to the lease or to reflect any reviews of the in-substance fixed lease payments.

The Company records any variable payments that were not included in the initial valuation of the liability in the Consolidated Income Statement for the period in which the events resulting in payment were produced.

The Company records any re-assessments of the liability as an adjustment to the right-of-use asset, until it is reduced to zero, and subsequently in the Consolidated Income Statement.

The Company re-assesses the lease liability discounting the lease payments at an updated rate, if any change is made to the lease term or any change in the expectation of the purchase option is being exercised on the underlying asset.

The Company re-assesses the lease liability if there is any change in the amounts expected to be paid for a residual value guarantee or any change in the index or rate used for determining payments, including any change for reflecting changes in market rents once these have been reviewed.

The Company recognises an amendment to the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of consideration for the lease increases by an amount consistent with the individual price for the increased scope and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the amendment does not result in a separate lease, on the amendment date the Company assigns the consideration to the amended contract as indicated above, it re-determines the term of the lease and re-estimates the value of the liability discounting the revised payments at the revised interest rate. The Company writes down the carrying amount of the right-of-use asset to reflect the partial or total end of the lease in any amendments that reduce the scope of the lease and it records the profit or loss in income. For all other amendments, the Company adjusts the carrying amount of the right-of-use asset.

Taxation

The tax expense represents the sum of the current tax and deferred tax charges.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

If the Group considers it is likely that the tax authority will accept an uncertain tax treatment, the Group will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns.

If the Group considers it unlikely that the tax authority will accept an uncertain tax treatment, the Group will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. The Group will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability weighted amounts.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

II. DEFERRED TAXATION

Deferred taxation provided in the financial statements is $nil (2019: $nil) and the amounts not recognised are as follows:

	2020 **$000**	2019 **$000**
Losses	**24,118**	25,239
Balance at the end of the year	**24,118**	25,239

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence at the balance sheet date that it will be recoverable. The asset would start to become potentially recoverable if, and to the extent that, the company were to generate taxable income in the future.

III. INTANGIBLE ASSETS

	Deferred development costs $000
Cost	
At 1 April 2019	136
Foreign exchange	(7)
At 31 March 2020	129
Depreciation	
At 1 April 2019	136
Foreign exchange	(7)
At 31 March 2020	129
Net book value	
At 31 March 2020	—
At 31 March 2019	—

IV. INVESTMENTS

	$000
Cost	
At 1 April 2019	19,210
Disposal of Mirada Connect	(1)
Foreign exchange	(979)
At 31 March 2020	18,230
Amounts provided	
At 1 April 2019	8,219
Foreign exchange	(419)
At 31 March 2020	7,800
Net book value	
At 31 March 2020	10,430
At 31 March 2019	10,991

On 5 July 2019, the Company announced the sale of Mirada Connect Ltd to PayByPhone UK Limited (part of Volkswagen Financial Services).

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	% Voting rights	Country of incorporation	Registered address	Nature of business
Digital Interactive Television Group Limited	Ordinary shares	100%	UK	68 Lombard Street London EC3V 9LJ	Dormant
Digital Impact (UK) Limited*	Ordinary shares	100%	UK	68 Lombard Street London EC3V 9LJ	Interactive TV Services
Mirada Iberia, S.A.	Ordinary shares	100%	Spain	Avda. de las Águilas 2B 28044 Madrid	Interactive TV services
Mirada Mexico, S.A.*	Ordinary shares	100%	Mexico	Montes Urales 505-2° 11000 México DF	Interactive TV services

* Held indirectly in Mirada Iberia S.A.

V.TRADE AND OTHER RECEIVABLES

	2020 $000	2019 $000
Trade receivables	**402**	—
Amounts owed by group undertakings	—	605
Other receivables	**9**	8
Prepayments	**26**	36
	437	649

VI. TRADE AND OTHER PAYABLES

	2020 $000	2019 $000
Trade payables	**69**	81
Amount owed to group undertakings	**1,548**	2,882
Other payables	**5**	67
Other taxation and social security taxes	**14**	40
Accruals	**96**	91
Contract liabilities	**12**	—
	1,744	3,161

Maturity analysis of the company financial liabilities, excluding other taxation and social security and deferred income, is as follows:

	2020 $000	2019 $000
Up to 3 months	**903**	459
3 to 6 months	**761**	861
6 to 12 months	**54**	1,801
	1,718	3,121

VII. OPERATING LEASE ARRANGEMENTS

	2020 $000	2019 $000
Within one year	**24**	28
	24	28

VIII. SHARE CAPITAL

A breakdown of the authorised and issued share capital in place as at 31 March 2020 and 2019 is as follows:

	2020 Number	2020 $000	2019 Number	2019 $000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	**890,843,408**	**12,015**	890,843,408	12,015

On 28 November 2017, the Company announced it had entered into agreements for the provision to the Company of unsecured one-year loan facilities of up to an aggregate amount of $2.4 million. The facility had certain conditional subscription rights in respect of new ordinary shares of 1p each in the capital of the Company. The facility was provided by Kaptungs Limited, Kronck Business S.A. and Minles Corporation Inc. This facility was converted into share capital as announced on 29 August 2018, through the issue of 151,785,713 ordinary shares.

On 7 March 2018, the Company announced it had entered into a secured one-year loan facility for up to $4.2 million. This facility was provided by Kaptungs Limited. This facility was converted into capital as announced on 4 October 2018 through the issue of 300 million ordinary shares.

On 5 October 2018, the Company announced it had raised £3 million before expenses, by way of a subscription of 300 million new Ordinary Shares at 1p per share by a substantial shareholder of the Company, Kaptungs Limited.

Kaptungs Limited is an investment company which is beneficially owned by Mr. Ernesto Luis Tinajero Flores and has a total beneficial interest of 776,879,163 Ordinary Shares in Mirada, which represents 87.21 per cent of the voting rights in the Company.

IX. EVENTS AFTER THE REPORTING DATE

See Note 29 of the Group financial statements.

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr José-Luis Vázquez	*Chief Executive Officer*
Mr Francis Coles	*Non-Executive Director and Chairman*
Mr Matthew Earl	*Non-Executive Director*
Mr José Gozalbo Sidro	*Executive Director*
Mr Gonzalo Babío	*Executive Director*

Company Secretary

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Nominated Adviser and Broker

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