ZOO DIGITAL GROUP PLC

(Company number: 03858881)

ANNUAL REPORT

YEAR ENDED 31 MARCH 2026

WELCOME TO ZOO

ZOO Digital partners with major studios and streaming services to tell their stories to audiences around the world.

The Group's high-quality localisation and digital media services allow customers to globalise content across different territories, languages and distribution platforms, extending its reach and profitability.

Using proprietary tools and platforms, ZOO offers fast, reliable, and cost-effective end-to-end solutions that bring premium film and TV content to global audiences. Clients include top Hollywood studios such as Warner Bros. Discovery, Disney, NBCUniversal, and Lionsgate, in addition to global streaming-first services such as Netflix and Amazon Prime. As one of the few global end-to-end localisation providers, ZOO meets the growing demand for comprehensive, high-quality services across all streaming platforms and languages.

INDUSTRY OVERVIEW

The entertainment industry is changing rapidly. To meet audience demand for instant, premium, global content, studios and platforms need partners that deliver fast, integrated, end-to-end media supply chain services at scale.

In response to these shifts, ZOO strengthens its role as a trusted global partner by empowering customers to prepare, localise, and deliver premium content worldwide—enabling speed, reach, and consistency for clients seeking to capitalise on global opportunities.

The Group’s operating model combines media content creation, language adaptation services (localisation), and proprietary cloud-based software. This allows customers to manage global content distribution with a single partner. By blending skilled staff with advanced technology including AI, ZOO speeds turnaround times, maintains creative quality, and delivers projects efficiently across regions.

During the year, the Group refined its workflows to enable faster, more flexible content delivery. Key initiatives included faster localisation (adaptation of content for different languages and regions), cloud-based infrastructure (remote servers for storage and processing), and AI-enabled workflows (AI to automate tasks). Human oversight and rigorous quality control maintained the high standards required for premium content.

As industry trends transform content creation, ZOO delivers scalable, secure, and operationally efficient solutions that accelerate workflows, safeguard assets, and maximise reliability at every stage of the supply chain—solidifying ZOO as a trusted partner for evolving customer needs.

FAST TRACK AND ACCELERATED WORKFLOWS

The demand for faster global content distribution continues to reshape the entertainment industry. Studios and streaming platforms must now deliver premium content to international audiences much faster. They often coordinate simultaneous launches across multiple territories.

To address these demands, ZOO delivers faster workflows that maintain creative and technical standards.

Central to this approach is the Group’s Fast Track capability. It combines cloud-based infrastructure, global coordination, and integrated localisation workflows. This supports rapid delivery across multiple languages and regions.

By leveraging its follow-the-sun operating model, ZOO can coordinate work seamlessly across international teams, enabling projects to progress continuously across time zones. This operational structure helps reduce delays, increases efficiency and provides customers greater flexibility in managing release schedules.

By integrating media services, localisation, and workflow technology, the Group unifies operational processes. Close coordination of preparation, localisation, and delivery helps accelerate timelines. This is delivered in a way that preserves quality, security, and creative oversight.

As audience expectations continue to shift toward near-simultaneous global availability, the Group believes accelerated workflows and scalable international coordination will remain increasingly important components of the modern media supply chain.

AI ASSISTED WORKFLOWS

AI is playing a bigger role in media and entertainment. Content owners seek evolving ways to boost efficiency, scalability, and turnaround in production and localisation workflows whilst preserving quality and security.

ZOO’s approach to AI is practical and operational, using technology to support human expertise to deliver optimum results efficiently. The Group maintains that creative integrity and high-quality output are vital when localising premium content to ensure that authenticity and the “suspension of disbelief” is preserved.

During the year, ZOO expanded the use of AI-assisted technologies in selected workflows. These include speech-to-text transcription, subtitling, workflow automation, and synthetic voice technologies. These tools aim to reduce manual processing and improve operational efficiency. They also support faster project delivery on complex schedules.

Human oversight and quality control are central to the Group's approach. AI-assisted workflows integrate with production pipelines that rely on experienced localisation professionals, technical operators, and creative specialists. They review and refine output to the standards required by customers and audiences.

The Group sees long-term opportunity for AI in scalable, efficient workflows that still preserve creative and cultural nuances. ZOO continues to use a balanced, pragmatic approach to AI adoption across its operations.

As demand for multilingual content continues to grow globally, the Group expects AI-assisted workflows to become an increasingly important component of the wider media supply chain, helping customers manage greater scale and faster turnaround requirements.

SERVICE SPOTLIGHT: ARTWORK

Artwork repurposing and localisation continues to form an important part of ZOO's end-to-end offering, supporting studios and platforms in adapting promotional and on-platform creative assets for audiences across multiple territories and languages.

This work requires a combination of technical precision, creative adaptation and cultural understanding to ensure assets remain visually consistent and locally relevant across international markets. From title treatments and key art through to platform-specific promotional assets, artwork localisation plays an important role in supporting global content launches and maintaining brand consistency across regions.

In addition to processing still artwork, the Group also provides localisation and creation of full-language packages for on-screen text within video content, including title sequences and in-content scenes across feature films, episodic content, and trailers. As international distribution requirements continue to evolve, these workflows are becoming an increasingly important component of the wider localisation process.

ZOO's artwork teams operate closely alongside localisation and production workflows, enabling efficient asset versioning and coordinated delivery across multiple territories. As international release strategies continue to become more complex and time-sensitive, scalable artwork localisation capabilities remain increasingly important for content owners managing simultaneous or near-simultaneous global launches.

By integrating artwork services into its broader operational infrastructure, ZOO can provide customers with a more streamlined, coordinated workflow, enabling faster delivery schedules while maintaining creative quality and consistency across international markets.

SERVICE SPOTLIGHT: MASTERING

Mastering is a vital part of today's media supply chain. It deals with a wide range of technical conformance requirements in the preparation, validation, and delivery of content for distribution across platforms, formats, and territories.

As streaming services and content owners manage growing volumes of multilingual content, the operational complexity of preparing and delivering compliant media assets has increased. ZOO's mastering services help customers manage these requirements efficiently within an integrated end-to-end workflow, supporting rapid progression to downstream activities.

Mastering involves preparing and packaging assets to meet exacting technical specifications. This includes coordinating deliverables, validation, and quality control. These steps ensure assets are ready for international distribution and fully compliant with the technical standards employed by the many distribution channels including broadcast and network television.

By running mastering alongside localisation and media preparation, ZOO connects delivery pipelines. This integrated approach allows better workflow coordination, reduced friction, and more flexibility for complex releases.

The Group believes integrated media services capabilities, such as mastering, will continue to play an increasingly important role as content owners seek scalable, reliable partners to support the full global content supply chain.

SOFTWARE AND WORKFLOW INFRASTRUCTURE

Technology and workflow infrastructure are central to ZOO's operations. They support scalable media services and localisation workflows for customers in complex global environments.

The Group's cloud-based software platforms enable teams, partners and customers to coordinate workflows efficiently across multiple territories, languages and production stages. By integrating media preparation, localisation, and delivery workflows within a unified operational infrastructure, ZOO can support faster turnaround times, improved visibility, and greater operational flexibility across projects.

During the year, the Group continued to develop and enhance workflow capabilities designed to improve efficiency, scalability and operational coordination across its global operations. These developments supported the ongoing evolution of accelerated workflows, AI-assisted processes and integrated media supply chain services.

ZOO's software infrastructure also plays an important role in enabling collaboration across its international operating model. Through cloud-based production environments and centralised workflow management, teams can coordinate projects seamlessly across regions and time zones, handing off projects from one team to the next, while maintaining oversight, quality control, and operational consistency.

As customer requirements continue to evolve, the Group remains focused on developing technology-enabled workflows that support scalable content preparation, localisation and delivery at a global scale. The Group believes that integrated software infrastructure will continue to remain an important competitive advantage for ZOO as the media supply chain becomes increasingly interconnected, time-sensitive, and operationally complex.

SECURITY, RELIABILITY AND OPERATIONAL SCALE

As the distribution of premium entertainment content becomes increasingly global and time-sensitive, security, operational reliability, and scalable infrastructure remain critical requirements for content owners and platforms.

ZOO continues to operate workflows and infrastructure designed to support the secure preparation, localisation and delivery of premium media assets across international markets. The Group's operational model combines cloud-based workflows, global coordination and integrated quality control processes to help customers manage increasingly complex distribution requirements with confidence.

Maintaining high standards of security and operational oversight remains central to the Group's approach. ZOO continues to support customers through workflows designed to protect sensitive content assets while ensuring efficient collaboration across international teams, partners and production environments.

Operational reliability also remains an important focus as customers seek partners capable of managing accelerated release schedules and large-scale multilingual delivery requirements. Through its integrated operational structure, the Group can coordinate workflows across media services, localisation, and delivery stages while maintaining visibility and control throughout the production pipeline.

As demand for global content distribution continues to grow, the Group believes scalable operational infrastructure, secure workflows and trusted delivery capabilities will remain increasingly important differentiators within the modern media supply chain.

LOOKING AHEAD

The global entertainment industry continues to evolve rapidly, driven by growing demand for multilingual content, accelerated release schedules and increasingly complex distribution requirements across platforms and territories.

As audiences continue to expect premium content to be available globally with greater speed and consistency, content owners are placing increased importance on operationally scalable partners capable of supporting integrated media preparation, localisation and delivery workflows.

ZOO believes its combination of media services expertise, localisation capabilities and cloud-based workflow infrastructure positions the Group strongly to support these evolving market requirements. By continuing to invest in scalable operational workflows, AI-assisted technologies, and integrated global coordination, the Group aims to support customers to manage increasing content volumes and more demanding delivery schedules efficiently and securely.

The Group also expects technology-enabled workflows and AI-assisted processes to continue evolving across the wider media supply chain. ZOO's approach remains focused on the practical application of technology to enhance operational efficiency while maintaining the creative quality, oversight, and reliability required for premium entertainment content.

Looking forward, ZOO remains focused on developing further its trusted customer relationships with key industry players through a connected, end-to-end operational model that combines human expertise, scalable technology infrastructure and integrated global workflows. The Group believes this approach, including its collaborative partnerships on innovations such as Fast Track, will continue to play an increasingly important role as the entertainment industry adapts to the next generation of global content distribution.

CHAIR'S STATEMENT

I am delighted to present my first statement as Chair of the Board of ZOO following my appointment in May 2026 and look forward to continuing to support the Group's further growth and success.

Overview

FY26 was an important year for ZOO as we completed the strategic reset of the business and established a more optimised platform to enable the business to deliver profits and positive cash generation. The Group's operations have been reshaped, the cost base rightsized and the business is well positioned to capitalise on the opportunities we have identified in an evolving industry.

At the start of the year, the Board set one clear priority: demonstrate profitable, cash-generative operations in a market that has faced unprecedented challenges and undergone significant transformation in recent times. We have generated cash and delivered a significant improvement in EBITDA, giving us confidence that the Group is on the right track again to deliver profitable growth.

We are pleased to report that gross profit margin increased to 42% in the period, up from 36% in the prior year which, together with a $5.5 million reduction in administrative expenses, delivered an increase in adjusted EBITDA to $4.0 million compared with $1.1 million in FY25. This in turn resulted in cash inflow from operating activities of $3.5 million, up from $1.5 million in FY25. Cash and cash equivalents held at the end of FY26 increased to $3.6 million from $2.7 million in FY25.

Building a right-sized platform

Our financial performance reflects a leaner, more flexible organisation. Over the last two years, the Group's annual fixed costs have been reduced by $14.4 million as the cost base was rightsized, refocusing on our asset-light, scalable model. In addition, we have made structural efficiencies by fully integrating our international operations, migrating certain functions to the Group's new facility in Chennai and embedding AI across our workflows.

With these cost saving initiatives now complete, we believe ZOO has a strong foundation to navigate a changing landscape. While the film and television entertainment industry evolves, the need for high-quality, localised content remains integral to our customers' international strategies. Market conditions are more stable following a period of prolonged disruption and several major studios are now operating profitable streaming services. We will continue to evolve our own operating model on an ongoing basis as the industry develops further, and in line with our customers' requirements for the future.

Capitalising on market opportunities

We are now living in the streaming era. More content than ever is being made by streaming platforms as they grow their subscriber bases around the world and audiences continue to gravitate to these platforms for more of their media and content consumption. Some of these streaming platforms are investing in live and near-live content, including sporting events, entertainment formats and episodic programming. A key difference they have compared to linear television is the scale and reach to broadcast instantaneously to international audiences around the world.

Our premium Fast Track service is a clear example of how we are responding through innovation. By dramatically compressing subtitling and dubbing timelines for live and near-live content, Fast Track addresses our customers' demands for fast and flexible delivery, while also preserving the quality standards that are essential. We continue to blend AI intelligently and responsibly with our human expertise and oversight to deliver a premium service on a global scale. This shows the value of ZOO's technology-led, end-to-end proposition and gives us a competitive advantage over our peers.

Board and people

On 13 August 2025 our Chief Financial Officer of seven years, Phillip Blundell, stepped down from the Board and we welcomed Rob Pursell to the Company. I would like to extend our thanks to Phill for his contribution to ZOO during his tenure and to Rob for his work during FY26 and his first annual report for ZOO.

The completion of the cost savings initiatives and associated restructuring presented a natural opportunity to refresh the Board. I would like to thank on behalf of all of the Board Gillian Wilmot who stepped down as Chair in May 2026 after nearly seven years. I would also like to thank Mickey Kalifa as he will be stepping down as Non-Executive Director after the FY26 AGM. Mickey will be succeeded as Chair of the Audit Committee by Alan Newman, who joined the Board in May 2026, to whom the Board extends its warm welcome. A search for an additional independent director and Remuneration Committee Chair Designate is currently in progress and the Board is targeting to announce this appointment shortly after the AGM.

On behalf of the Board, I would like to thank our shareholders for their continued support. I would also like to pay particular tribute to our staff and freelancer network around the world. I recognise that it has been a challenging few years and we have taken difficult decisions to restructure the business. Throughout this period, they have displayed outstanding professionalism and dedication to deliver for our customers and maintain our excellent external quality scores.

Looking ahead

As a technology-first disruptor in the industry, a key pillar of ZOO's strategic plan has always been to deliver competitive advantage through proprietary software technology that automates and scales traditional human processes. This remains a core competence to this day, with the integration of AI only strengthening ZOO, enhancing its proposition and differentiating ZOO from its peers.

There is much to give the Board reasons to be optimistic for the future: our enhanced and rightsized operating platform is now in place; there are exciting developments in the industry creating demand for our accelerated and Fast Track services; we have integrated AI with our 'human in the loop' expertise and oversight; and we have recently won new customers and further projects from existing customer relationships. We believe that we have turned a corner, the business is financially rightsized, and we are well positioned to capitalise on the new opportunities in our market.

NATHALIE SCHWARZ

Nathalie Schwarz
Chair

29/07/2026

STRATEGIC REPORT

Introduction

In FY26, we completed the planned reshaping of the Group's platform to enable the business to deliver profits and positive cash generation even in a changing market. The business now has a proposition aligned with the future of the industry, a more efficient operating structure and a rightsized cost base. These changes resulted in a financial performance in line with market expectations, with materially higher margins, improved profitability and strong cash generation.

As market conditions continued to stabilise, the Group generated EBITDA adjusted for share-based payments ("Adjusted EBITDA") of $4.0 million (FY25: $1.1 million) on revenue of $42.3 million (FY25: $49.6 million). These results support the Board's decision to right size the Group's operations, generating higher EBITDA from a lower revenue base as the industry recovers, highlighting the value of the leaner and more flexible model we have built. This is also reflected in the cashflows of the Group with improved cash inflow from operating activities of $3.5 million (FY25: $1.1 million).

An evolving market is creating new opportunities, and these are playing to ZOO's strengths. As customers increasingly demand high-quality services at faster speeds in new formats, we believe ZOO's technology-led, end-to-end model gives us a competitive advantage over our peers. This is reflected in the new business the Group has won over recent months as customer Request for Proposals (RFP) activity has accelerated, an encouraging leading indicator of the market's recovery.

Market overview

Streaming drives global content investment

Audiences continue to migrate from traditional broadcast television to streaming platforms, a structural shift that is set to continue. According to the PwC Global Entertainment & Media Outlook of June 2026, Global Over-the-Top (OTT) subscriber numbers and streaming revenues are projected to grow to 2030, albeit at a more measured pace as the market reaches maturity in developed western economies. Increasingly, growth is being driven by emerging markets, ensuring that more content than ever is being produced with global audiences in mind and supporting demand for localisation services.

The increasing dominance of streaming is reflected in the breakdown of global content investment. According to a January 2026 forecast by Ampere Analysis, streaming platforms overtook local commercial broadcasters in overall contribution to content spend for the first time in 2025, and this divergence is expected to widen further in 2026. The research house forecasts a 2% increase in global content spending to $255 billion, up from $245 billion in 2025. Within this, content investment from streaming platforms is expected to grow by 6% in 2026, underscoring the structural shift towards streaming made possible by increased subscription and advertising revenue. This is also consistent with the higher levels of RFP activity that ZOO has experienced over recent months.

Outside the North American market, Indian media companies and streaming platforms are driving content spend in the Asia-Pacific (APAC) region. Over the last five years, India has grown its share of APAC content spend from 8% of $20.4 billion to an estimated 12% of $22 billion in 2026 as offerings such as crime dramas and family content garnered strong demand, particularly from the Middle East and US. Similarly, according to AlixPartners' "2026 Media & Entertainment Industry Predictions Report", the international popularity of Turkish drama series has made it one of the top three series-exporting countries, behind the US and UK, reaching 750 million viewers in over 170 countries. Over recent years, ZOO has established regional hubs in these key markets, providing direct access to local talent and a platform for business development.

Importantly, the streaming industry is sustainable at current levels of content spend, reflecting the substantial changes that have taken place across the sector since 2023. The disruption driven by the Hollywood strikes and recalibration of content budgets is well documented. Today, most global streaming platforms have established profitable operations and are moving from cost centres to income generators. Localisation plays an important role in this evolution, enabling content investment to be amortised across global audiences and maximising return on investment.

The content investment by streamers is being increasingly recognised within the industry in terms of the quality of programming that it is delivering. In categories ranging from the Emmys to the Oscars, streamers have captured a significant number of top accolades in recent years, consistently pushing traditional legacy broadcast networks out of the running.

The increased focus on profitability has also raised the appeal of licensed content, which can be less capital intensive and lower risk than commissioning new original titles. Licensed content must often be reformatted, a specialised capability ZOO delivers through its Media Services offering. While licensed content can also require localisation services, this tends to be weighted towards subtitling since licensees are unlikely to fund the cost of dubbing third party programmes.

Faster turnaround requirements

There is a clear and accelerating trend towards faster project turnaround times. Customers are increasingly seeking to reduce the time-to-market, whether for competitive reasons or because they are working with inherently time-sensitive content formats such as live and near-live events or episodic programming with short turnaround release schedules. In this respect, streaming is becoming the new television, expanding into content formats long associated with traditional linear broadcast models.

One such example is live sports. With their large real-time audiences, sports broadcasting is seen as a powerful tool for subscriber growth, retention and advertising revenue. Netflix and Amazon are particularly active in this part of the market, holding the exclusive broadcast rights for the NFL's Christmas day games and Thursday Night Football respectively. In addition, Netflix has expanded into boxing with a series of high-profile matches, building on the success of Jake Paul vs Mike Tyson in 2024, which became the most streamed sporting event in history. It also holds exclusive broadcast rights to WWE's weekly shows and premium live events in more than 90 countries under a deal extending to 2035.

Streaming platforms are also testing a range of light entertainment formats, current affairs programmes, chat shows and video podcasts. Consumer appetite and the time-sensitive nature of this content is driving demand for faster localisation to reduce time-to-market. Microdramas represent another emerging format gaining traction. These short-form, mobile-first series are typically two to three minutes per episode with sharp narrative hooks optimised for sharing on social media. Omdia forecasts global revenues for micro dramas will reach $14 billion in 2026, with demand growing rapidly across the US, UK, Japan, South Korea, Thailand and other international markets beyond the format's dominant origin market of China.

Review of operations

The comparator period includes a backlog of work from the Hollywood strikes which came through in FY25H1. The Board therefore regards FY26 as representative of a more normalised trading environment, reflecting an industry that has stabilised but at a low ebb following the disruption of recent years.

KPI	**FY26**	**FY25**	**Comments**
Financial			
Revenue	**$42.3 million**	$49.6 million	Decline due primarily to fall in demand for dubbing while customer content strategies were in transition.
Adjusted EBITDA margin	**9.4%**	2.2%	Margin improvement due to cost reduction measures that were taken during the period and the increased mix of higher margin media services revenue.
Cash EBITDA	**$447k**	($2.4 million)	Margin improvements and cash reduction.
OPEX as % of revenue	**45.7%**	49.4%	Achieved improved operational gearing on a lower revenue base as a result of reductions of fixed cost.
Operating (loss) margin	**(3.8)%**	(13.1)%	The improvement in the operating margin is due to the completion of the reorganisation of the business giving a reduced cost base
Operational			
External quality score	**99.3%**	98.4%	Weighted average of quality scores given by customers on our work delivered in the period. In FY26 we received quality scores on work that accounted for 55% of revenue (FY25: 59%).

Media localisation

Media Localisation generated revenue of $24.2 million compared to $30.3 million in FY25, with the year-on-year movement entirely attributable to lower demand for dubbing. This reflects a reduction in the throughput of original content across major streaming platforms following changes in their strategy, and buyers consolidating lower levels of spend with fewer vendors.

By the end of FY26, the Group had begun to receive a regular pipeline of orders for its faster turnaround services. While still at a relatively early stage as customers experiment with formats, brands and distribution channels, this category of work has been growing quarter on quarter and is expected to continue. A proportion of these projects fall under ZOO's premium Fast Track proposition, which has been proven to dramatically compress timescales for content requiring ultra-accelerated turnaround and now accounts for around 10% of the Group's revenues. The Group has successfully delivered dubbing in as little as 24 hours, compared to typical industry timelines of three to four weeks, and subtitling in as little as three hours, against an industry standard of one to two weeks.

Fast Track is just the latest example of the innovation that has long defined ZOO. It is a premium service made possible by the Group's proprietary cloud-based platform, global reach and flexible freelancer model, which together provide capabilities that cannot easily be replicated within traditional, studio-based workflows. The solution has been developed, trialled and refined in close collaboration with our customers over the last 18 months, including some of the most high-profile sporting events watched live by over a hundred million subscribers around the world. That we have achieved this while maintaining industry-leading quality metrics is testament to the capability of the Group's technology and teams that provide vital human oversight throughout the process. Demand for this service extends beyond localisation to encompass ZOO's full end-to-end offering, including Media Services.

Media services

Media services generated revenue of $18.1 million compared to $19.3 million in FY25, reflecting in part the subdued demand for localisation which typically brings complementary demand for media services. This was partially offset by a favourable shift in mix towards licensed content, which tends to drive proportionally greater demand for media services relative to localisation.

There was strong performance in the first half of the year, supported by several one-off library orders that had been delayed from FY25Q4 into FY26Q1. This created a favourable comparison in the first half that was not replicated in the second due to the timing of customer licensing deals that can lead to large one-off orders.

Customers

ZOO remains a trusted partner to the world's leading media companies. During the year, the Group made further progress in diversifying its customer base by strengthening its relationships with several groups including certain non-traditional studios, further reducing concentration risk. The Group is seeing increased traction with streaming platforms as they review their vendor frameworks subsequent to their restructured operations and revised content strategies, not least the evolving importance of live, near-live and episodic programming.

In FY26H2, ZOO was selected to provide multiple services across two major studio customers from which it has since received initial orders. The Group's end-to-end model, technology integration and faster fulfilment capabilities were critical factors in its selection through a competitive RFP process. While it is too early to determine the associated volumes, the Board is encouraged by the range of opportunities across multiple customers that are emerging. The Group is continuing to see a proportionally higher share of licensed rather than original content work, orders linked to customer deals that can be sizeable but non-repeating and difficult to predict with certainty.

A recurring theme in conversations with customers is the desire for partners that combine genuine production expertise with strong technology credentials. That combination, brought together in an end-to-end service with global scale, is precisely what ZOO offers. Customers are also seeking greater flexibility and control from their vendors, particularly over pricing and delivery timelines, even as they push for faster turnarounds, in a further indication of a market moving in ZOO's direction. ZOO's platform is built to provide that visibility and control, distinguishing the Group from its peers.

Cost reduction and restructuring programme

The planned restructuring programme that has been ongoing since FY24 is now complete. The Board exercised great care in its implementation to ensure that quality metrics and customer service were not adversely affected. This has established a leaner, more flexible operating model that is profitable and cash generative even at revenue levels materially lower than previously whilst maintaining the same premium quality levels.

During FY25 and FY26 the Group has reduced its annual fixed cost base by $14.4 million, of which $7.5 million of cost savings were delivered in FY26. This has been achieved by reducing headcount in our US and UK offices and operations have moved to smaller premises. In parallel, the Group has accelerated the transition of a range of fulfilment activities to its operations in India, which is now our first choice for any future expansion of delivery capacity.

The outcome of this work is clearly reflected in our financial performance. OPEX as a percentage of revenue improved from 49.4% in FY25 to 45.7% in FY26, and the Group delivered positive Cash EBITDA of $0.4 million against a loss of $2.7 million in the prior year. FY26 has established an improved cost baseline with in-built operating leverage to support revenue growth.

Operational resilience

The market is consolidating around a smaller group of end-to-end vendors capable of localising and creating distribution packages in multiple languages and formats across international territories. ZOO is well positioned within this subset, differentiated by its proprietary, cloud-based software platforms and distributed operating model. These are capabilities built over many years and refined continuously in close collaboration with our customers.

Customers are increasingly prioritising shorter turnaround times as they seek to reduce time-to-market and release content in quick succession across territories. As it has done throughout its history, ZOO has evolved its proposition to meet this challenge. The Group has integrated AI into its workflows to reduce friction and improve efficiency, while preserving the human expertise and creative judgement that premium content localisation demands. ZOO's technology expertise is allowing us to deploy supervised AI where it is most effective to create tangible value for ourselves and our customers. This includes functions such as transcription, translation, script preparation, and voice recording.

ZOO's proprietary cloud-based software connects talent, workflows and data in a single platform. Teams across the Group's global network operate within the same systems, enabling seamless hand-offs across time zones as part of a follow-the-sun production model. This allows ZOO to deliver at speed and scale without compromising on quality – a structural advantage that cannot easily be replicated by traditional, studio-based peers.

During the year, the Group introduced two new offerings that directly reflect evolving customer requirements. Fast Track enables accelerated processing whilst maintaining the service levels required by customers. It includes a premium service for the most time-sensitive content that compresses project timescales from weeks to hours through parallel workflows and the Group's global talent network. In addition to the premium service ZOO is also offering a new "7-day Dub" service that enables much faster fulfilment without premium pricing that is highly competitive and protects margins.

These evolved propositions demonstrate ZOO's proven ability to adapt and innovate, developing solutions that are tailored to the evolving requirements of its customers. This has allowed the Group to navigate changing market conditions and provides the flexibility to capitalise on new opportunities.

Purpose, strategy and business model

ZOO's purpose is to enrich lives through access to entertainment which it seeks to accomplish through its mission to make life easier for the people who entertain the world. Its business model is based on the supply of services provided to leading producers and distributors of entertainment content to make their programmes available on any streaming platform, localised to meet the language and cultural requirements of any audience, which are monetised through charging competitive market rates. ZOO's foundation was initially built as a disruptor in the market by using its technological driven approach – and this remains a core strength today as the Company continues to evolve and innovate to meet evolving industry and customer requirements.

The Group's strategy is built upon five pillars:

Innovation	ZOO has a long track record of anticipating and responding to market change through technology. Fast Track is the most visible recent example, improving competitiveness, protecting margins and also enabling new premium services that dramatically compress delivery timelines without compromising on quality, made possible by the Group's cloud-based, distributed model, follow-the-sun strategy and AI integrations. The security and integrity of customer data was brought into sharp focus last year following industry security breaches. ZOO's cloud software platforms feature in-built security as standard and the Group retains a TPN Gold standard security accreditation, which is a prerequisite for major content partners.
Scalability	ZOO operates a highly scalable, asset-light model, deploying cloud-based software platforms and a global network of freelancers. The Group's global capabilities enable a follow-the-sun delivery model with projects progressing continuously across time zones. Teams operate within the same proprietary systems regardless of location, allowing seamless hand-offs so that work can continue around the clock. This model is central to the delivery of Fast Track and the Group's accelerated service fulfilment, compressing timescales from weeks to hours.
Collaboration	The Group works with a network of trusted partners and freelancers of over 12,000 professionals worldwide. This creates an asset-light, variable cost structure that can be rapidly scaled to meet demand while preserving quality.
Customer	ZOO is deepening its relationships with the world's leading streaming platforms while continuing to diversify its revenue base to reduce customer concentration risk. The quality of ZOO's services is monitored by several of its major customers, and during the period the Group achieved exceptionally high KPI scores as reported by some of its largest clients of 99.3% in FY26.
Talent	ZOO's talent base comprises employed staff across its international facilities with a freelance community of over 12,000 professionals. The Group has further expanded its Chennai facility in India, which is becoming an increasingly important operational centre, providing access to high-quality talent at a competitive cost structure. India is ZOO's preferred location for delivery capacity growth, and the Chennai facility is expected to take on a greater share of fulfilment activity as revenues build.

Outlook

The Board expects to return to growth as streaming companies continue to seek reduced time-to-market and commission more live, near-live and time-sensitive content. Conversations are ongoing with multiple customers across both localisation and media services, reflecting the broadening demand for accelerated delivery.

Increased RFP activity and recent RFP successes are expected to convert into higher order volumes as the Group is selected for new framework agreements, further diversifying revenues across a wider range of customers.

The Board believes that the market has stabilised and is moving in ZOO's direction, with customers focusing on speed, quality and control. This requirement limits the number of vendors that are able to compete, and plays to ZOO's strengths.

Trading in the first quarter of FY27 has been encouraging, which gives the Board confidence in delivering a return to revenue growth and profit progression in FY27.

We have built a more resilient rightsized business. The restructuring is complete, the cost savings are delivered, and we have demonstrated that the Group is profitable and cash generative. Faster fulfilment requirements create new opportunities, including the Fast Track service, positioning the Group to win a greater share of an evolving market. The foundation for the next phase of growth is in place.

The Board is optimistic for the medium- and long-term fundamentals of the Group. A further update on trading will be provided at the AGM to be held on 29 September 2026.

Stuart Green
Chief Executive Officer

29/07/2026

FINANCIAL REVIEW

Introduction

FY26 concluded a challenging period for ZOO, marking the final stages of a major reorganisation of the business. The reorganisation has improved profitability and cash generation, from higher margins and having reduced the fixed operational cost base. This has been achieved whilst preserving the operational capabilities and the competitive edge of the business, as can be evidenced by the success of the "Fast Track" premium service, offering accelerated localisation, which now accounts for around 10% of the Group's revenues.

Revenue reduced in FY26 to $42.3 million (FY25: $49.6 million), due to fall in demand for dubbing services caused in part by FY25 benefitting from a backlog of work created following the Hollywood actors and writers strikes in FY24. This was offset by gross profit margin increasing to 42% (FY25: 36%) showing that the reduction in revenue had limited impact on gross profit which reduced to $17.6 million (FY25: $18.0 million). A $5.5 million reduction in administrative expenses to $19.4 million (FY25: $24.5 million) cut the operating loss to $1.6 million (FY25: $6.5 million). By adding back depreciation and amortisation of $5.6 million (FY25: $7.6 million) EBITDA increased to $4.0 million (FY25: $1.1 million). This improvement in adjusted EBITDA increased the cash inflow from operating activities to $3.5 million (FY25: $1.5 million), and increased the cash and cash equivalents held at the end of the year to $3.6 million (FY25: $2.7 million). As at the end of the year $1.4 million (FY25: nil) was drawn down on the HSBC financing facilities which were utilised to help reduce the trade creditor balance to $5.9 million (FY25: $10.4 million).

Revenue

In the financial year ended 31 March 2026, total revenues decreased 15% to $42.3 million (FY25: $49.6 million). This is due to FY25 benefitting from a backlog of dubbing work created by the Hollywood strikes in FY24. Excluding dubbing, all other revenues remained flat year on year at $36.6 million. During the year ZOO continued to develop its relationships with existing and new customers, focusing on how its proprietary technology can accelerate delivery times. This, along with its consistently high quality scores, has resulted in the recently announced RFP wins, positioning the Group to return to growth in FY27.

Most of the Group's operations are in the United States, where revenues were down 2% at $30.4 million (FY25: $30.9 million). The balance of work was performed in Europe and Asia which decreased by 36% to $12.0 million (FY25: $18.7 million), driven by a reduction in European dubbing projects.

Customer concentration reduced during the period with the revenue contribution from the Group's two largest clients falling to 59% of sales (FY25: 68%). This was primarily a consequence of a reduction in dubbing orders from a UK customer due to the backlog of work received in FY25 after the Hollywood strikes. Revenues from other customers and new engagements increased during FY26, helping to diversify the customer base.

The Group previously reported two revenue segments: media production and software solutions. Software solutions is a declining legacy service that contributed 2.6% of revenue in FY26 and will no longer be reported as its own segment. The media production segment is split into localisation and media services to provide investors with greater transparency, and the media services numbers will include the legacy software solutions segment.

Media localisation revenues decreased by 6% in the year to $24.2 million (FY25: $30.3 million) and Media services revenues decreased by 6% to $18.1 million (FY25: $19.3 million).

Segment contribution

The Group reports gross profit after deducting both external and internal variable costs to reflect that most of its revenues are derived from the provision of services to our customers. To add clarity to the financial statements, a table is included in Note 4 showing the Group's key operating segment split between Localisation and Media Services. This shows that overall gross profit fell by 2% to $17.6 million (FY25: $18.0 million). This represents a gross profit margin of 42%, up from 36% in FY25, due to a lower fixed cost base and the increased mix of higher margin media services revenue.

Administrative expenses

Operational fixed costs, which are defined as operating expenses less share-based payments, depreciation and amortisation, decreased by 19% to $13.8 million (FY25: $16.9 million) due to a significant reduction in headcount. Overall, operating expenses decreased by 21% to $19.4 million (FY25: $24.5 million).

Non-operating income and costs and loss for the year

Share of loss of JVs was in line with last year with a loss of $49k (FY25: $48k).

During the year, and following the Board's annual review of carrying values, the Group recognised a $1.5 million impairment against investments in its joint ventures in Turkey and Spain. The impairments reflect the current accounting assessment of the recoverable amount of each investment, having regard principally to the expected future cash flows generated directly by the corresponding joint venture.

Whilst the carrying value of each investment has been reduced, the Board continues to regard the joint ventures as strategically important to the Group. They each provide capabilities, geographic reach and customer relationships that have enhanced the Group's ability to compete and be successful in competitive RFP processes and bids during the year.

These wider commercial benefits are expected to continue to support growth across the Group, although many of those benefits are realised within other Group businesses rather than through distributions or cash flows generated by the joint ventures themselves.

The recoverable amount used to assess the carrying value of the investments reflects only the cash flows expected to arise from the assets themselves. In accordance with IAS 36 the value of these wider synergies and strategic benefits, arising elsewhere within the Group, have not been included in the recoverable value.

The Board therefore remains committed to the strategic relationships while recognising that, under the applicable accounting standards, those broader strategic benefits cannot be reflected in the carrying value of the investments.

Finance costs were up slightly in the year at $0.5 million (FY25: $0.4 million) due to increased utilisation of the invoice financing facilities.

Disposal of Investments and right of use assets showed a loss of $0.2 million (FY25: nil) as we were able to exit a property lease earlier than expected, reducing property costs and lease payments. The loss represents the write down of the associated right of use asset.

Despite the reduction in revenue, and as a result of the restructuring of the cost base, the Group reported an improvement in operating losses to $1.6 million compared to a loss of $6.5 million in FY25.

Loss before tax was $3.8 million compared to a loss of $8.3 million last year for the reasons highlighted above.

In the year the Group recognised a tax credit of $0.2 million (FY25: $0.4 million) primarily due to the recognition of a deferred tax asset in ZOO Digital India Private Limited.

Liquidity and debt facilities

HSBC is providing the Group with invoice financing facilities in both the US and the UK. The US facility commenced in 2022 and will currently fund up to $5 million on invoices raised from our US subsidiary, increased from $3 million at the beginning of the period. The UK facility commenced in 2024 and will currently fund up to £2 million on invoices raised in the UK. Both facilities are renewed on a yearly basis with the next US renewal due in March 2027 and the UK renewal due in November 2026.

The invoice financing facilities were used selectively during the year and $1.4 million was drawn as at 31 March 2026 (FY25: nil) on a trade receivables balance of $5.9 million.

Statement of financial position

Non-current assets decreased by 16% in the period to $19.6 million (FY25: $23.4 million). The decrease is mainly due to the reduction in value in right of use assets and leasehold improvements. This reflects the reduction of time left to run on property leases, and the downsizing of the office space required in Sheffield due to more flexible working practices.

The capitalisation of research and development costs increased by 9% to $1.7 million (FY25: $1.5 million) as we completed several product developments including integrating AI into our cloud-based workflow platforms. This now enables accelerated localisation reducing delivery times for subtitling from an industry standard of 2-3 weeks to 3 hours and dubbing from an industry standard of 4-5 weeks to 24 hours, without any reduction in quality. The amortisation charge decreased by 5% to $2.1 million (FY25: $2.2 million).

Trade and other receivables decreased by 38% to $8.0 million (FY25: $12.9 million) reflecting improved cash collections. Contract assets, which represent work in progress and sales accruals on customer projects, increased by 2% to $2.3 million (FY25: $2.2 million).

Current liabilities decreased by 22% to $14.3 million (FY25: $18.3 million) as we used the cash generated by improved collections and the invoice financing facilities to reduce the trade creditors by 43% to $5.9 million (FY25: $10.4 million).

Cash and cash equivalents increased by 32% to $3.6 million at year end (FY25: $2.7 million).

Non-current liabilities decreased in the year by 45% to $1.8 million (FY25: $3.2 million) due to the reduction in the right to use liability on our property leases.

Consolidated statement of cash flows

Net cash generated from operating activities increased by 136% to $3.5 million (FY25: $1.5 million). The increase of $2.0 million is attributable to the improved profitability, more efficient billing and collections and included an outflow of $5.6 million to reduce trade and other payables. The inflow from operating activities was offset by a $1.6 million spend on investing activities, which was a decrease of $0.6 million on FY25. The decrease was due to the reduction in R&D spend and capex required to align our international operations with Group requirements. The $0.7 million outflow from financing was predominately due to the $1.6 million repayment of principal under lease liabilities relating to leasehold properties in the USA and India, and a $1.4 million inflow from a drawdown on the HSBC invoice financing facility. Overall, the cash balance increased from $2.7 million to $3.6 million.

Post balance sheet events and going concern

Going forward, the Group remains confident that it has sufficient headroom to trade for the foreseeable future, as the increase of the US HSBC invoice financing facility from $3 million to $5 million, together with a separate European facility of £2 million, is expected to give us the required working capital headroom to support the current run rate of business but also allows for potential future growth. The Directors remain confident that these facilities will be renewed.

In addition, the improving trading position, reduction in monthly costs, forecast profitability and cashflows from operations gives us additional confidence in the future. For these reasons, we continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the Directors' Report on page 32.

Principal risks and uncertainties

Company law requires the Group to report on principal risks and uncertainties facing the business, which the Directors believe to be as follows:

International business

While the Group is domiciled in the UK, its main country of operations is the US and over 69% of ZOO's revenues come from overseas clients. As with most small international businesses cash flow and management of exchange rate fluctuations present risks. The Group continues to focus on conservative cash management and closely monitors currency transactions.

Political uncertainty

The political climates in the UK and US are currently challenging due to the global economic environment. Although the terrible situations in Ukraine and the Middle East continue to have a major effect on the world economy, the current impact on ZOO is negligible. The Directors monitor emerging news and trends and remain alert to any potential impact on the trading of the Group. Specifically, the threats of tariffs on media assets are not expected to dim the international appeal of film and TV programmes and therefore the need to localise content.

Technology conservation

The Group continues with a patent protection policy, with 14 patents granted, having allowed some legacy patents which are no longer beneficial to lapse. These active patents are integral to the business in the protection of our unique technologies.

Operational risks

The main operational risk is in managing any unexpected peaks or troughs in production orders and ensuring that the appropriate levels of resource are available to provide the quality of services expected by our clients. This risk is managed by having a core of highly skilled permanent staff along with a pool of temporary staff that can be brought in at short notice to help at times of high volume. We have supplemented these resources by engaging international businesses to operate within our technology platform, giving us further variable cost capacity. The use of technology helps mitigate this risk by streamlining processes as much as possible and enabling efficient access to a large, global and scalable pool of independent contractors. The Group has adopted AI where appropriate to help with reducing costs, accelerating service fulfilment and managing capacity.

Cyber Risks

Like most digital businesses, the Group faces cyber risks in four key areas: **Intellectual Property Theft** refers to unauthorised access and use of the Group's own software and data that could undermine its competitive position; **Data Breaches** refers to exposure of sensitive data, such as client information and unreleased media which could result in disclosure of confidential information, leading to reputational and financial damage; **Ransomware Attacks**, caused by malicious software that could prevent us from accessing our IT systems and the data stored on them, could disrupt our operations and delay project completions; and **Social Engineering**, which refers to manipulating people so they give up confidential information (e.g. the fraudulent practice of Phishing where messages are sent purporting to be from reputable people and companies in order to induce individuals to reveal personal information such as passwords), could compromise our systems and data security. Although we assess our risk level as medium/low compared to more prominent industry players, the potential impact of these risks remains high. To mitigate these threats, we have implemented industry-standard security tools, managed by reliable third parties. ZOO's proprietary cloud-based software has been designed from the outset with high levels of security in mind and incorporates a range of measures to protect confidential data throughout end-to-end workflows, incorporating features that include encryption, multi-factor authorisation and watermarking. In June 2024 the Group completed its most recent biennial third-party Trusted Partner Network (TPN) security audit, which involved a thorough evaluation of ZOO's security protocols, infrastructure, and practices, earning a Gold Shield for the ZOOsubs, ZOOdubs and ZOOscripts platforms. TPN is the leading, global, industry-wide film and television content security initiative. Designed to assist companies in preventing leaks, breaches, and hacks of movies and television shows prior to their intended release, TPN seeks to raise security awareness, preparedness, and capabilities within the industry. TPN is owned and managed by the Motion Picture Association. Cyber security is a key focus of management and our IT team, and we ensure all staff are continuously trained to maintain a security-first approach.

Artificial Intelligence

Third party software products and services have emerged that make use of Artificial Intelligence (AI), which refers to the ability of a machine-based system to apply analysis and logic-based techniques to solve problems, to perform tasks and improve as more data is analysed. This includes applications in which the Group provides services, including the creation of closed captions, inter-lingual subtitles, audio description and dubbing. Such technologies have the potential to displace some of the services currently offered by the Group. The Directors monitor emerging technologies, evaluate third party products where applicable and remain alert to any commercial implications they may have. The Group's internal Research and Development department has actively developed and enhanced such technologies over several years with multiple capabilities now actively deployed within the Group's cloud platforms. As an innovator in its sector the Directors believe that the Group is well positioned to assess where AI technologies are appropriate in its business, taking full account of their benefits and risks, and to capitalise on these, thereby mitigating any apparent threat.

Loss of the Group's key clients

Client relationships are crucial to the Group and the strength of them is key to its continued success. The Group mitigates this risk by having multiple staff working closely with each of the largest clients across different business units and seeking to secure long term contractual agreements for supply of technology and services. The Group focusses on providing high quality services to all clients to ensure an attractive and differentiated offering thereby reducing the likelihood of client loss.

Corporate activity within key clients

Merger and acquisitions within key clients represent a risk as they can disrupt sales. This risk is mitigated by ensuring an awareness of news in the market and focussing on diversifying the client base.

Financial risks

The main financial risks faced by the Group are in relation to foreign currency and liquidity. The Directors regularly review and agree policies for managing these risks.

The functional currency and presentation currency of the Group are US dollars as most of the Group's transactions are undertaken in US dollars, however, the Consolidated Statement of Financial Position can be affected by movements between pound sterling and the US dollar as the parent company and UK subsidiaries have some pound sterling debtors and creditors. Foreign currency risk is managed by matching payments and receipts in foreign currency to minimise exposure. Further information on the financial risks is given in note 30 to the accounts.

The Group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The Group regularly monitors cash flows and cash resources and can draw down funds from financing facilities in the UK and the US.

Robert Pursell

By order of the Board

Approved by:

Robert Pursell

Director and Secretary

29 July 2026

CORPORATE GOVERNANCE STATEMENT

I am pleased to present my first Corporate Governance Statement having succeeded Gillian Wilmot as Chair of the Board post period end. This report covers the 12 month period to 31 March 2026 during which Gillian Wilmot was Chairman.

All members of the Board believe strongly in the value and importance of good corporate governance and in our accountability to all of ZOO's stakeholders, including shareholders, staff, clients, our network of freelance workers and other suppliers. In the statement below, we explain our approach to governance and how the Board and its committees operate.

The corporate governance framework which the Group operates, including board leadership and effectiveness, board remuneration, and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the business and is reflective of the Group's values. Of the two widely recognised formal codes, we decided in 2018 to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies and adopt its future versions (it was revised in 2023).

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the Board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each. The Board considers that it does not depart from any of the principles of the QCA Code.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Accounts and it has considered and endorsed the arrangements for their preparation, under the guidance of its Audit Committee. The Directors confirm the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The following paragraphs set out ZOO's compliance with the 10 principles of the QCA Code.

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

The purpose of the Group, which is to enrich lives through access to entertainment, is encapsulated in the expression of its mission: to make life easier for the people who entertain the world. Our business model is to provide media localisation and media services to content owners and distributors. Our strategy is to deliver these through a combination of proprietary software technology that acts as a competitive differentiator, and a large global network of linguistic professionals engaged on a freelance basis. We believe this will deliver a profitable, differentiated and highly valued business with competitive advantages over other providers of similar services, leading to faster turn-around of projects, to a consistently high quality, at an attractive price point.

The key challenges we face include:

- **Maintaining consistently high levels of quality** – very high standards are expected by the leading digital distributors who influence much of the localisation that is commissioned by industry players. We have implemented automated testing wherever possible, and our system-driven workflow management ensures that manual linguistic quality control is engaged as necessary. In the case of dubbing operations, we have developed software to analyse the acoustic performance of recording environments to ensure they meet minimum specifications. Where AI is employed, this is operated with oversight by skilled specialists and we ensure that all AI output is scrutinised for accuracy and authenticity.
- **Ensuring security of client assets** – the safekeeping of materials is of paramount importance. Our key production facilities are audited for security biennially by the Trusted Partner Network. Features to prevent the copying of assets and provide effective deterrents are implemented throughout our proprietary software and systems.
- **Delivering services on time** – increasingly customers are seeking accelerated fulfilment of services in timeframes that are significantly shorter than has historically been typical in the sector. While the Group's technology-enabled approach has always enabled quicker fulfilment than most of its peers, some accelerated timelines allow limited margin for error, leading to a greater risk of failing customer SLAs. The Group mitigates this risk through the deployment of its cloud-based production platforms combined with a 'follow-the-sun' strategy by which staff with the required skills are employed across multiple international offices such that projects can move from one location to the next as each day progresses, resulting in a 24/7 capability.
- **Delivering continuous availability** – a failure in the Group's systems could lead to an inability to deliver services. This is addressed by operating redundant systems across multiple availability zones, a comprehensive disaster recovery programme and assigning staff from multiple facilities on each project.
- **Operating a large freelancer network** – the Group's capacity for processing orders is dependent, in part, on the network of freelance workers. The cloud software is enhanced on an ongoing basis to make the Group's systems increasingly attractive to freelance workers. A process of peer review is implemented in the Group's production systems to ensure that all work undertaken by freelancers is independently checked and verified and its quality is assured. Prompt payment to terms is important to freelancers and liquidity issues due to cash flow challenges can risk losing their support. In periods of cash conservation the Group maintains a dialogue with its freelancer creditors to manage their expectations.

- **Recruiting and retaining suitable staff** – the Group's ability to execute its strategy is dependent on the skills and abilities of its staff. We undertake ongoing initiatives to foster good staff engagement and ensure that remuneration packages are competitive in the market. We have adopted hybrid working as a permanent practice across multiple locations and functions which aids efficiency and staff retention.

We believe we have the right strategy and service in place to deliver strong growth in sales over the medium to long term. We expect the gross profit of our localisation revenue stream to improve in future periods as our market continues to recover, which will result in improving EBITDA margins or provide us with scope for additional investment in new services. This will enable us to deliver sustainable shareholder value.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

Our long-term growth is underpinned by our core values which reflect our brand proposition to make globalising media content smarter, easier and better:

Think Smarter

- **Inspiration everywhere**: We're always open to learning. From our colleagues, from our customers, even from our suppliers. When we work together and share ideas, we share success.
- **There is no box**: When you look at things differently, you'll find new and creative ways to take on any challenge.

Make it easier

- **We are family**: Everyone is heard, everyone is valued. We challenge each other, but it's done with love and respect.
- **Be the customer**: We put ourselves in our customers' shoes to anticipate their future needs and blow their minds.

Be better

- **Daydream believers**: Think big and be bold. See a way to change something for the better and then believe you can make it happen. Remember... disruption favours the brave!
- **There's always a way**: Never underestimate the power of determination. From dreaming up new tech to just good old-fashioned graft. We'll get the job done.

The culture of the Group is characterised by these values which are conveyed regularly to staff through internal communications, in our monthly "ZOO in Focus" video briefings to our global staff presented by Board members and senior leadership, and through our internal community forums.

The Board believes that a culture that is based on its core values is a competitive advantage and consistent with fulfilment of the Group's mission and execution of its strategy.

The culture is monitored through the use of satisfaction and engagement surveys that are operated on an annual basis and to which all permanent staff are invited to contribute. The Board reviews the findings of the surveys and determines whether any action is required. As a consequence of industry and customer disruption, during the period under review the Group implemented cost-saving measures including redundancies, and the Board did not consider it to be appropriate to employ its usual survey. Instead, senior leadership and the Group's HR teams were proactive in staff consultations to assess attitudes and took appropriate actions whilst working within the prevailing financial constraints.

Principle 3: Seek to understand and meet shareholder needs and expectations

Responsibility for investor relations rests with the CEO, supported by the CFO and the Non-Executive Directors, as appropriate. During the period under review the following activities were pursued to develop a good understanding of the needs and expectations of all constituents of the Group's shareholder base:

Date	Description	Participants	Comments
May 25	Ad hoc institutional investor calls	SG	Several ad hoc calls with institutional shareholders following a trading update and announcement of the appointment of Robert Pursell as CFO
May 25	Institutional investor meeting	MK	A meeting requested by an institutional investor following a May 25 trading update
May 25	Investor newsletter	-	Investor e-newsletter distributed to subscribers and published via website
Jun 25	Ad hoc investor meetings	SG	Several ad hoc meetings and calls requested by private shareholders
Jul 25	Ad hoc investor meetings	SG	Several ad hoc meetings and calls requested by institutional and private shareholders

Date	Description	Participants	Comments
Aug 25	Preliminary results roadshow and media meetings	SG, RP	Institutional investors, analysts, and PCBs via in-person meetings and Zoom calls
Aug 25	Retail investor meeting	SG, RP	Open invitation to retail investors; virtual presentation and Q&A; recording made and published via website
Sep 25	Investor newsletter	-	Investor e-newsletter including CEO video distributed to subscribers and published via website
Sep 25	AGM and trading update	SG, RP, GD, GW, MK, NS	Actively encouraged all shareholders and prospective investors to attend a meeting held in person in London and live streamed; event made available on website subsequently
Sep 25	Ad hoc institutional investor meetings	SG, RP	Several ad hoc meetings and Zoom calls requested by institutional holders and non-holders
Oct 25	Ad hoc institutional investor meetings	SG, RP	Several ad hoc meetings and Zoom calls requested by institutional holders and non-holders
Oct 25	Published AI white paper	-	Published second edition of AI whitepaper and made available to investors
Nov 25	Live streamed a webinar on AI	SG, RP	Actively encouraged all shareholders and prospective investors to join a live stream on AI include Q&A session; event made available on website subsequently; the date of the webinar was rescheduled at the request of several institutional investors due to a clash with another city event
Nov 25	Interim results roadshow	SG, RP	Institutional investors, analysts, and PCBs via in-person meetings and Zoom calls
Nov 25	Media meetings	SG, RP	Met with editors of retail investor publications including Small Company Sharewatch and UK Investor Magazine
Nov 25	Retail investor meeting	SG, RP	Open invitation to retail investors; virtual presentation and Q&A; recording made and published via website
Nov 25	Ad hoc investor meetings	SG	Ad hoc meetings requested by retail investors
Nov 25	Investor newsletter	-	Investor e-newsletter including CEO video distributed to subscribers
Feb 26	Investor newsletter	-	Investor e-newsletter distributed to subscribers
Mar 26	Investor meetings following board and commercial update	SG, RP	Several ad hoc meetings and Zoom calls requested by institutional holders

Key: GW: Gillian Wilmot; SG: Stuart Green; PB: Phillip Blundell; RP: Robert Pursell, GD: Gordon Doran; MK: Mickey Kalifa; NS: Nathalie Schwarz.

The Group is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. We communicate with shareholders through the Annual Report and Accounts, full-year and half-year announcements, trading updates and the annual general meeting (AGM), and we encourage shareholders' participation in virtual meetings. A range of corporate information (including all ZOO announcements) is also available to shareholders, investors and the public on our website.

Private shareholders: The AGM is the principal forum for dialogue with private shareholders, and we encourage all shareholders to attend and participate through RNS announcements and a quarterly newsletter. The Notice of Meeting is sent to shareholders at least 21 days before the AGM. The chairs of the Board and all committees, together with all other Directors whenever possible, attend the AGM and are available to answer questions raised by shareholders. Shareholders vote on each resolution, by way of a poll. For each resolution we announce the number of votes received for, against and withheld and subsequently publish them on our website.

Institutional shareholders: The Directors actively seek to build a mutual understanding of objectives with institutional shareholders. Our CEO and CFO make presentations to institutional shareholders and analysts immediately following the release of the full-year and half-year results. We communicate with institutional investors frequently through a combination of formal in-person and virtual meetings, participation at investor events, roadshows and informal briefings with management. Most meetings with shareholders and potential investors are arranged by our Broker. Following meetings, the broker provides anonymised feedback to the Board from all fund managers met, from which sentiments, expectations and intentions may be gleaned and, where appropriate, actions and decisions implemented.

In addition, we review analysts' notes to achieve a wide understanding of the market's views. This information is considered by the Board and is compared to the Group's Investor Relations strategy to ensure adherence.

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

Engagement with the Group's stakeholder groups is set out below.

Stakeholder	Reason for engagement	How we engage
Staff – our ability to fulfil client services and develop and enhance the cloud software platforms on which they depend relies on having talented and motivated staff.	Good two-way communication with staff is a key requirement for high levels of engagement, fostering a culture of innovation.	Monthly staff briefings delivered to all locations using pre-recorded videos and presentations. Invitation to staff to ask questions of management that are answered through the Group's engagement platform. Operation of an employee engagement platform to provide ad hoc news, industry developments and other information to all staff in an accessible way. Annual engagement survey. These have provided insights over many years that have led to enhancement of management practices and staff incentives. Through the protracted period of reductions, the Executive team stepped up this engagement to ensure staff remained committed and were fully engaged in the recovery phase.
Clients – our success and competitive advantage are dependent upon fulfilling client requirements, particularly in relation to quality of service, its speed of delivery and security.	Understanding current and emerging requirements of clients enables us to develop new and enhanced services, together with software to support the fulfilment of those services	Seek feedback on services and software systems. Obtain fulfilment metrics employed by clients to measure performance. Obtain requests for new services and service enhancements. These have led to the Group securing approved vendor status with several large media organisations.

Stakeholder	Reason for engagement	How we engage
Suppliers – a key supplier group is our network of freelancers who fulfil linguistic services.	Freelance workers will provide similar services to other organisations, including our competitors, so we must ensure they are available to us and are accommodating.	We optimise our systems to simplify the work of freelancers as much as possible, including in relation to administration of projects. We operate systems to ensure that supplier invoices are processed and paid as quickly as is possible.
Shareholders – as a public company we must provide transparent, easy-to-understand and balanced information to ensure support and confidence.	Meeting regulatory requirements and understanding shareholder sentiments on the business, its prospects and performance of management.	Regulatory news releases. Keeping the investor relations section of the website up to date. Quarterly investor newsletters. Participation at investor events. Publishing of videos of investor presentations and interviews. Annual and half-year reports and live streamed presentations. AGM.
Industry bodies – the services we provide must meet certain requirements.	The views of certain industry groups, including the Motion Picture Association of America (MPAA), the Trusted Partner Network (TPN) and the Entertainment Globalisation Association (EGA) are influential in the way the Group is perceived by certain clients.	Membership of MPAA, EGA, DPP and TPN and participation in security programs. Audits of facility and software security. These have resulted in audit reports that have led to certain clients commencing engagement.
Communities – what we do impacts communities in the places where we operate and elsewhere.	It is important to be, and to be perceived as, a reputable business that makes a positive contribution to local economies and is attractive as an employer and partner.	Multiple activities to support fundraising of local charities and good causes. Operation of ZOOgooders programme which provides all staff with two paid days per year to work for a charity of their choice. Participation in apprenticeship and other schemes to support and provide opportunities to young people. One Director is a trustee of a registered charity and one Director is a director of a philanthropic not-for-profit. These have led to a favourable profile for the Group in the local areas of its major operations.

Corporate social responsibility

The Group strives to ensure that its business activities positively benefit all stakeholders by committing to conduct its business in a fair and responsible manner, to treat its employees fairly, supporting personal growth and development, and to have a positive impact in its local community.

We strongly value our customers and seek to deliver a world-class product backed by class-leading customer service and support. The Group routinely seeks customer feedback and performance appraisal inputs and takes active steps to remedy any instances of customer dissatisfaction.

Key customers are also routinely invited to provide product improvement inputs, and in some cases to test key features or functionality prior to general release.

The Group has agreed rate cards with its major customers to provide a fair and transparent pricing structure so that customers can be confident that the Group's services are cost effective.

The key themes of our Environment, Social and Governance strategy are to grow globally in a smarter, easier and better way ensuring we scale up responsibly.

People

The Group is an Equal Opportunity Employer and its policy is to ensure that all employees and job applicants will be given equal opportunities in all aspects of employment and training irrespective of their gender, ethnic origin, disability, age, marital status, sexual orientation or religious affiliation (and/or any other protected characteristics under relevant legislation). ZOO encourages, where possible, the employment of disabled people and the retention of those who become disabled during their employment with the Group.

The Group recognises the benefit of involving employees in target setting and keeping them informed of progress. The Board operates its internal communication network with all sites across the globe involving more contact, more frequent communication and more opportunities for feedback. The views of employees are considered when making decisions which are likely to affect their interests. This has included the introduction of increased ability for employees to put questions to senior management members following Group wide presentations. ZOO ensures that it communicates clear and appropriate policies to employees setting out data protection rules, information security rules, commercial contract rules (e.g. sales contracts, procurement contracts and partner contracts), commercial dispute resolution rules, share dealing rules, anti-bribery rules, anti-bullying/harassment rules and anti-discrimination rules and codes of conduct. These policies and procedures are made available to employees via the Group's Human Resources Information System and are regularly reviewed and updated as necessary. The Board periodically reviews, considers and updates the salaries, benefits and support offered to the Group's employees. The aim of this is to ensure that individuals with the appropriate experience and skill to add value to the business and drive its long-term success are attracted to the Group and then retained. In addition, this approach by the Board aims to ensure that staff are provided with the appropriate environment, career progression and rewards to remain motivated and enabled to produce the best possible output and add the maximum possible value to the Group.

The gender analysis on 31 March 2026 was as follows:

	Female	**Male**	**Undisclosed**	**Total**
Executive Leadership Team	0	5	0	5
Senior Managers	8	13	0	21
Staff	112	230	1	343
Total	120	248	1	369
Non-Executive Directors	2	1	0	3

Diversity, Equity and Inclusion

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position, and to provide appropriate training and reasonable working environment adjustments as required to achieve this aim.

As part of its DE&I initiatives the Group continues to review its hiring practices. The Group promotes and invests in apprenticeship programs to complement its strategy to diversify the workforce, along with internal mobility opportunities across the business. The Group believes that apprenticeships and cross training provide access to career opportunities that not only offer paths to higher-paying jobs, but also better opportunities for its workforce.

Community

The pandemic accelerated trends that are reshaping the way of work including what employees expect employers to provide in terms of working arrangements. With the increase in hybrid and remote working, employees are looking for more rewarding, engaging and meaningful workplace experiences.

Through listening to its employees, the Group continues to operate its employee volunteering programme (ZOOgooders) which actively encourages all staff to take two additional paid leave days each year and donate them for the support of charitable projects in the community as a way to give back to local communities and increase our employees' sense of purpose and improve engagement.

During FY26, employees across the UK and US participated in volunteering activities that either had been arranged by the Group or by the individual.

IT equipment that is no longer required in the business is recycled, and the Group works with a local charity that can repurpose the equipment for local and international use.

Environment

ZOO is a technology first service group that has developed platforms that deliver media localisation projects in an efficient and environmentally friendly way by reducing travel and the need for carbon intensive buildings. We are committed to further innovation to support our customers and freelancers in reducing their impact on the environment.

We also recognise that, as a company, we do have a small impact on the environment relative to other industries and as such will constantly look for ways to reduce and ultimately eliminate our environmental footprint and meet relevant environmental legislation. To achieve this our environmental strategy focuses on:

- Working with suppliers with a responsible attitude to the environment;
- Eliminating waste within our offices;
- Operating to international and local environmental laws and regulations in all countries in which we operate;
- Actively promoting recycling in all our locations;
- Sourcing locally to reduce carbon emissions; and
- Reducing our water consumption.

We are exploring ways that we can measure our impact on the environment which we will publish and use for future performance measurement.

Supporting home working

Our People and Culture team supports enhanced health and safety procedures in our offices – offering support to our working from home initiative and operating an e-learning platform that is available to all staff to assist in building their work and life skills.

Our formal ESG strategy means we can codify and measure how we are improving our impact on these critical topics.

Modern Slavery

ZOO Digital Group plc is committed to preventing modern slavery and human trafficking in all our operations and supply chains. We enforce rigorous systems and controls to ensure ethical business practices and compliance with UK and international laws. Our approach includes continuous review and improvement of our practices, training, and vigilance to safeguard against modern slavery.

For further information, our detailed Anti-Slavery and Human Trafficking Policy is available at https://www.zoodigital.com/modern-slavery/.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

A list of the principal risks and uncertainties is provided in the Financial Review section of this report.

The CFO maintains a risk register for the Group that identifies key risks in the areas of corporate strategy, financial, clients, staff, environmental and the investment community. All members of the Board are provided with a copy of the register. The register is reviewed periodically and is updated as and when necessary.

Specific financial risks are evaluated in detail, including in relation to foreign currency, interest rates, liquidity and credit.

Staff are reminded every month to report, anonymously or otherwise, any security risks or threat they perceive in the operations of the business. On receipt of any such notification, a security incident team is mobilised to assess and take remedial action as appropriate in the circumstance.

Staff are reminded every month that they should seek approval from the CFO if they, or their families, plan to trade in the Group's equities.

To ensure auditor independence following a tenure lasting 12 years, in FY25 the Group's Audit Committee selected HaysMac LLP to replace Grant Thornton LLP as its auditor. FY26 marks the second year of its engagement.

Principle 6: Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The members of the Board have a collective responsibility and legal obligation to promote the interests of the Group and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.

The Board consists of six directors of which three are executive and three are independent non-executives. The Board is supported by three committees: nomination, audit and remuneration. The Board may appoint additional non-executive directors as its business expands.

Non-executive directors are required to attend 10-12 meetings of the Board and Board Committees per year and to be available at other times as required for video and telephone meetings with the executive team and investors.

All members of the Board bring relevant sector experience in media and technology, all have public markets experience, and during FY26 two members were chartered accountants, since increased to three as of the date of this report. The Board believes that its blend of relevant experience, skills and personal qualities and capabilities is sufficient to enable it to successfully execute its strategy.

Set out below are the members of the Board who held office during the financial year ending 31 March 2026 and responsibilities held. Since the end of the period there have been changes to the Board in line with the planned Board changes and development announced by the Group in February 2026. Gillian Wilmot stepped down from the Board and chairmanship of the Group on 18 May 2026 and Nathalie Schwarz assumed the role of Chair from that date accordingly. Alan Newman was appointed as an additional Non-Executive Director of the Board on the same date.

Gillian Wilmot CBE, Independent Chairman until 18 May 2026

Term of office: Appointed as Chairman with effect from 1 July 2019 until 18 May 2026; Chair of the Nomination Committee, member of the Remuneration Committee and a member of the Audit Committee.

Background and suitability for the role: Along with extensive board level leadership roles in both private and public company environments, Gillian brings a wealth of relevant industry experience across B2B, technology and communication sectors. As Xpediator plc Chairman she successfully completed the delisting with a sale to Baltcap in 2022/2023. She advised Government for 9 years on IDAB to 2021, was recognised in the 2014 UK NED awards and awarded a CBE in January 2023 for her contribution to business, entrepreneurship and the prevention of problem gambling. She brings strong experience of governance, public markets and growth companies.

Current external appointments: Non-Executive Chairman of Brighter Beauty Group, Non-Executive Chairman of JISP.com trading as Bubbles Online Services Ltd., Director of Board Mentoring Ltd and Director of SixEnterprises Ltd.

Time commitment: two to three days per month until 18 May 2026.

Mickey Kalifa, Independent Non-Executive Director

Term of office: Joined as Non-Executive Director on 5 October 2017 and after serving for 9 years on the Board will retire at the Group's FY26 AGM; Chair of the Audit Committee and member of the Nomination and Remuneration Committees. On Mickey's retirement from the Board he will be succeeded as Chair of the Audit Committee by Alan Newman.

Background and suitability for the role: Mickey is a Chartered Accountant and finance professional with nearly 30 years' experience across the technology, media and gaming sectors. Mickey is currently CFO of Next 15 plc, an LSE listed company, having joined the business in June 2025. Prior to this he was CFO of digital agency Dept between April 2022 and May 2025, having previously held the role of CFO with M&C Saatchi plc, an LSE listed business, since March 2019. Previously he was CEO of the betPawa Group and CFO of Sportech plc. He brings a combination of financial expertise, knowledge of public markets as well as a wide range of sector experience gained from a career spent in the technology, media and gaming sectors with some of the world's largest media and technology companies, including Liberty Global, BSkyB PLC, Time Warner, Disney and Young and Rubicam.

Current external appointments: CFO of Next15 Communication plc

Time commitment: one to two days per month.

Nathalie Schwarz, Senior Independent Director until 18 May 2026, Independent Chair thereafter

Term of office: Joined as Non-Executive Director on 13 January 2022; Senior Independent Director until 18 May 2026, Chair from 18 May 2026, Chair of the Remuneration and a member of the Nomination and Audit Committees.

Background and suitability for the role: Nathalie brings over 20 years of board-level international experience as an Executive Director, Non-Executive Director and Chair, with a proven track record of success in the corporate world across a diverse range of sectors in both publicly listed and privately owned businesses. She also has a particular expertise in the media and digital technology sector with a career spanning broadcasting (television and radio), mobile and digital interactive platforms and information/data services.

She began her career as a Corporate Finance lawyer at Clifford Chance where she specialised in mergers and acquisitions, IPO's, private equity and corporate transactions. She then joined Capital Radio PLC (FTSE 250) initially as Group General Counsel and PLC Company Secretary where she was responsible for managing legal, regulatory and compliance issues as well as key stakeholder relationships. Her subsequent positions at Capital Radio evolved to assume commercial, strategic and operational responsibilities. She was appointed to the Main Board as PLC Group Strategy and Development Director where she was responsible for an £800 million+ merger creating the UK's largest commercial and radio group, doubling the size of the business.

At Channel 4 Television Corporation, Nathalie was the Group Commercial and Development Director on the Main Board, responsible for the Group's commercial divisions across various platforms as well as corporate and new business development. She successfully led the competitive bid for a government awarded national commercial digital multiplex and a £1billion+ commercial partnership with UKTV.

Nathalie is an experienced Non-Executive Director of publicly listed and private equity owned companies in diverse sectors. This includes having served 9 years as a Non-Executive Director on the Board of Wilmington PLC and also on the Boards of IABM, Matomy Media Plc, Bighand, Optionis and Amiad Water Systems plc. Nathalie is a strategic thinker with strong commercial, operational and financial acumen and has a proven track record of helping companies grow, instigating transformational change and embracing digital innovation and mergers and acquisitions.

Current external appointments: Nathalie is serving as a director of a number of privately held businesses.

Time commitment: one to two days per month as Senior Independent Director, two to three days per month as Chair.

Dr. Stuart Green, CEO

Term of office: A co-founder from the Group's inception in 2001, originally in the role CTO, and appointed CEO on 1 February 2006. Member of the Nomination Committee.

Background and suitability for the role: Stuart brings over 30 years of experience of team building and executive management in the software industry to his role as CEO. Stuart established ZOO's business strategy and difference in the marketplace by using software technology to deliver disruptive innovation. With a PhD in Computer Science, he brings expertise in software technology, a track record of innovation having secured over 30 software patents, experience of leading innovative technology businesses as a result of having co-founded and sold three private software companies, and experience of capital markets gained from 25 years as a main board director of AIM-quoted companies.

Current external appointments: Trustee of Sheffield Chamber Orchestra.

Time commitment: full time.

Phillip Blundell, CFO until 13 August 2025

Term of office: Appointed as Chief Financial Officer in July 2018 until 13 August 2025.

Background and suitability for the role: Phill has extensive experience with AIM listed businesses having worked as an Executive Director for Dot Digital Group plc, Eagle Eye Solutions Group plc and Intelligent Environments Group plc. During the 21 years working for AIM listed businesses, he has floated one business and raised substantial funds to assist the growth strategies of the businesses. A qualified Chartered Accountant since 1987 with 31 years' experience in the software and media industries, Phill brings both financial expertise and sector experience. He has 23 years as a CFO and Company secretary of AIM listed businesses providing strong Corporate Governance experience.

Current external appointments: Flamefinch Partners.

Time commitment: full time until 13 August 2025.

Robert Pursell, CFO from 13 August 2025

Term of office: Appointed as Chief Financial Officer with effect from 13 August 2025.

Background and suitability for the role: Rob joins ZOO with over 20 years of proven experience in senior finance and operational roles within dynamic technology and growth companies, including NSC Global PLC, KOOVS PLC, eviivo Ltd, and PwC. As a seasoned CFO, he has successfully led financial strategy across diverse sectors from global IT services to fashion retail and hospitality technology, with particular expertise in M&A transactions and international operations spanning EMEA and Asia. Rob brings deep experience in building robust financial frameworks that support rapid scaling, having steered finance functions through private equity ownership, AIM listings, and complex multinational expansions across more than 30 countries.

Current external appointments: None.

Time commitment: full time from 13 August 2025.

Gordon Doran, Chief Commercial Officer

Term of office: Originally engaged as a commercial consultant in 2005 to establish the Group's US operations and was appointed Commercial Director on 28 July 2009.

Background and suitability for the role: Gordon has spent his career in commercial roles with technology businesses in the UK and USA. As Chief Commercial Officer and President of ZOO's US operation, Gordon is responsible for all global operations and has been pivotal in establishing relationships with a number of large US entertainment companies including the 'big six' Hollywood studios. Based on the West Coast of the USA, Gordon brings significant experience of sales and marketing in the software industry since the early 1990s, having held senior positions in a number of companies, including as COO for Mediostream Inc., and capital markets experience as a main board director for 13 years.

Current external appointments: None.

Time commitment: full time.

Meeting attendance

Meetings held during the period under review and the attendance of Directors is summarised below:

	Board meetings		**Nomination Committee**		**Audit Committee**		**Remuneration Committee**	
	Possible	*Attended*	*Possible*	*Attended*	*Possible*	*Attended*	*Possible*	*Attended*
Executive Directors								
Dr. Stuart Green	11	11	2	2	–	–	3	3
Gordon Doran	11	11	-	-	–	–	–	–
Phillip Blundell	3	3	-	-	2	2	–	–
Robert Pursell	8	8	-	-				
Non-Executive Directors								
Gillian Wilmot	11	11	2	2	2	2	3	2
Mickey Kalifa	11	7	2	2	2	2	3	2
Nathalie Schwarz	11	11	2	2	2	2	3	3

In addition to the formal monthly meetings the Board continued for of the period its weekly catch up calls to monitor progress of the turnaround plan.

The Board has a schedule of regular business, financial and operational matters, and each Board Committee has compiled a schedule of work to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year. The Chair is responsible for ensuring that, to inform decision-making, Directors receive accurate, sufficient and timely information. The Company Secretary compiles the Board and Committee papers which are circulated to Directors prior to meetings. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns recorded in the minutes and to seek independent advice at the Group's expense where appropriate.

In January 2025 Phillip Blundell announced his intention to leave the Group once his successor was in post. The Board conducted a search for a replacement Chief Financial Officer, resulting in the appointment of Rob Pursell in August 2025.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

Directors attend seminars and other regulatory and trade events to ensure that their knowledge remains current. The Group operates the following governance structures:

The **Board** provides strategic leadership for the Group and operates within the scope of the QCA Corporate Governance Code 2023, a widely adopted robust corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Group implements in its business plans. The Board defines a series of matters reserved for its decision and has approved terms of reference for its Audit and Remuneration Committees to which certain responsibilities are delegated. The chair of each committee reports to the Board on the activities of that committee.

The **Nomination Committee** ensures the Group's Board and senior leadership team are composed of highly qualified, diverse, and effective individuals.

The **Audit Committee** monitors the integrity of financial statements, oversees risk management and control, monitors the effectiveness of the internal audit function and reviews external auditor independence.

The **Remuneration Committee** sets and reviews the compensation of executive directors including the setting of targets and performance frameworks for cash- and share-based awards.

The **Executive Board**, consisting of the Executive Directors, the US-based Chief Operations Officer and the CTO, operates as a management committee, chaired by the CEO, which reviews operational matters and performance of the business, and is responsible for significant management decisions while delegating other operational matters to individual managers within the business.

The **Chair** has overall responsibility for corporate governance and in promoting high standards throughout the Group. The Chair leads and chairs the Board, ensuring that committees are properly structured and operate with appropriate terms of reference, ensures that performance of individual directors, the Board and its committees are reviewed on a regular basis, leads in the development of strategy and setting objectives, and oversees communication between the Group and its shareholders.

The **CEO** provides coherent leadership and management of the Group, leads the development of objectives, strategies and performance standards as agreed by the Board, monitors, reviews and manages key risks and strategies with the Board, ensures that the assets of the Group are maintained and safeguarded, leads on investor relations activities to ensure communications and the Group's standing with shareholders and financial institutions is maintained, and ensures that the Board is aware of the views and opinions of employees on relevant matters.

The **Executive Directors** are responsible for implementing and delivering the strategy and operational decisions agreed by the Board, making operational and financial decisions required in the day-to-day operation of the Group, providing executive leadership to managers, championing the Group's core values and promoting talent management.

The **Independent Non-Executive Directors** contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of management, provide constructive challenge to the Executive Directors and ensure that the Group is operating within the governance and risk framework approved by the Board.

The **Company Secretary** is responsible for providing clear and timely information flow to the Board and its committees and supports the Board on matters of corporate governance and risk.

The matters reserved for the Board include:

- Setting long-term objectives and commercial strategy;
- Approving annual operating and capital expenditure budgets;
- Changing the share capital or corporate structure of the Group;
- Approving half year and full year results and reports;
- Approving dividend policy and the declaration of dividends;
- Approving major investments, disposals, capital projects or contracts;
- Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars; and
- Approving changes to the Board structure.

The Board has approved the adoption of the 2023 edition of the QCA Code as its governance framework against which this statement has been prepared and will monitor the suitability of this Code on an annual basis and revise its governance framework as appropriate as the Group evolves.

During the period a number of shareholders expressed their concern following a downgrade in market expectations. The Board sought advice from its Nominated Advisor, Canaccord, and developed a plan to restore investor confidence. The Board also implemented changes to its structure as detailed below under Principle 10.

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

It is the Board's usual annual practice to undertake an evaluation process led by the Chair. In this process, all Directors begin by completing questionnaires about the effectiveness of the Board and a self-assessment of their own contributions which are returned to the Chair. The Chair then reviews this information and uses it as the basis for an individual discussion with each Director, followed by a collective discussion with the Board.

In this process, the review considers effectiveness in several areas including general supervision and oversight, business risks and trends, succession and related matters, communications, ethics and compliance, corporate governance and individual contribution. The outcomes are then used to identify refinements in working practices.

In the period, the review process took a different form due to proposed changes to the Board structure. Having joined in October 2017, in line with good corporate governance, Mickey Kalifa notified the Board of his intention not to stand for re-election at the FY26 AGM which would mark his nine year anniversary. In addition, Gillian Wilmot, who joined in July 2019, indicated her intention to stand down after seven years as Chairman. Members of the Board also met with several institutional shareholders and the Group's Nominated Advisor to discuss Board structure and governance. The proposed Board changes were announced in the Board and Commercial Update on 2 February 2026. The Board developed a succession plan which is described fully below under Principle 10. Due to the planned changes to the Board composition, it was not considered appropriate to undertake the usual evaluation process as carried out in its previous form.

We will reinstate and review the Board evaluation process in FY27 in light of the changes made to the Board and new structure and requirements of the business moving forward.

As the business expands, the executive directors will be challenged to identify potential internal candidates who could occupy board positions and set out development plans for these individuals and to keep succession planning under review.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

This section sets out the Directors' Remuneration Policy. The Remuneration Committee considers the Remuneration Policy annually to ensure that it continues to underpin the Group's strategy.

Key principles

The main aim of the Group's policy is to align the interests of Executive Directors with the Group's growth strategy and long-term creation of shareholder value. The policy is designed to remunerate the Executive Directors competitively and appropriately and allow them to share in this success and the value delivered to shareholders. The policy is based on the following principles:

- Promote shareholder value creation and support the business growth strategy.
- Ensure that the interests of the Directors are aligned with the long-term interests of shareholders.
- Deliver a competitive level of pay for the Directors sufficient to attract, retain and motivate individuals.
- Ensure that an appropriate proportion of the package is determined by targets linked to the Group's performance.
- Ensure the total reward cost to ZOO is affordable and sustainable.

Executive remuneration is based on the following components:

Component	**Purpose and link to strategy**	**Operation**	**Maximum**	**Performance measure**
Base salary	To provide a competitive base salary to attract, motivate and retain directors with the experience and capabilities to achieve the strategic aims.	Reviewed annually against salary surveys for market rate, Group performance, role and experience.	No overall maximum, however, they are reviewed to ensure they are proportionate and fair when compared to other salaries in the Group.	N/A
Benefits	To provide a market competitive benefits package.	Receive benefits in line with market practice, these include death in service plus health care in the US.	Set at a level deemed appropriate by the Remuneration committee.	N/A
Pension	To provide an appropriate level of retirement benefit.	Executive Directors are eligible to participate in the Group's pension scheme.	Up to 5% of base salary.	N/A
Annual bonus	To reward performance against annual targets which support the strategic plan.	Awards are made annually and are paid in cash.	Maximum of 100% of base salary.	Minimum of 80% based on financial performance and a maximum of 20% linked to smart personal objectives.

Component	Purpose and link to strategy	Operation	Maximum	Performance measure
L-T incentives	Awards are linked to long-term financial and strategic objectives. To further promote equity ownership and long-term performance, vesting occurs at the end of a three-year period with holding periods applying up to a further seven years.	Awards are made at market price at date of grant and with performance targets that require to be met in the first three years after grant.	No maximum, subject to not exceeding the Group's overall share based incentive schemes limit that apply across all employees of 15% of issued share capital.	Performance metrics will be linked to financial performance.
Shareholdings	To promote share ownership for Executive Directors	Executive Directors are encouraged to build a shareholding in the Group over time.	No maximum	N/A

Explanation of performance measures

Performance measures are selected that are aligned with the performance of the Group and the interests of shareholders. Stretching targets are set each year for the annual bonus and long-term incentive awards. When setting these performance targets, the Committee will consider several different reference points, which may include the Group's business plan and strategy and the economic environment.

The Committee retains the ability to adjust or set different performance measures if events occur which cause the Committee to determine that the measures are no longer appropriate, and that amendment is required so that they can achieve their original purpose. Awards and options may be adjusted in the event of a variation of share capital in accordance with the rules of the share option scheme.

Non-Executive Directors Remuneration Policy

The Remuneration Policy for the Non-Executive Directors is to pay fees necessary to attract an individual of the talent required, taking into consideration the size of the business and the time commitment of the role. This is reviewed annually by the Group Chair and the CEO. The basis of the fees is cash only and Non-Executive Directors do not receive any other benefits other than reasonable travel and other expenses incurred in the course of performing their duties.

The Group welcomes dialogue with its shareholders over matters of remuneration. The Chair of the Remuneration Committee is available for contact with institutional investors concerning the approach to remuneration.

The Remuneration Committee report is contained on page 36.

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

During the period Mickey Kalifa indicated his intention not to stand for re-election at the FY26 AGM, and Gillian Wilmot indicated her intention, after seven years as Chairman of the Group, to retire from the Board. Members of the Board also met with some institutional investors and the Group's Nominated Advisor to discuss Board structure and governance. This led the Board to develop a succession plan, the details of which are:

- Gillian Wilmot, Chairman, would step down on or before the FY26 AGM. The Company subsequently announced Gillian stepped down from the Board on 18 May 2026.
- Nathalie Schwarz, Senior Independent Director, would be appointed as Chair when Gillian stepped down. The Company subsequently announced the appointment of Nathalie as Chair on 18 May 2026.
- The timing of those changes were planned to coincide with the appointment of a new independent Non-Executive Director.
- Mickey Kalifa, Chair of the Audit Committee would not stand for re-election at the FY26 AGM, ending his tenure of almost nine years on the Board and in line with best practice guidelines.
- A new independent Non-Executive Director and Audit Committee Chair designate would be sought and appointed at the earliest opportunity to allow an extended period of transition through the FY26 audit process. The Board subsequently announced the appointment of Alan Newman to this position with effect from 18 May 2026. Alan is an experienced non-executive director, Chief Financial Officer and business adviser, with a specialism in media, technology and knowledge-based businesses. His background combines senior management roles in global

businesses including CFO of Ebiquity plc and YouGov plc, with senior consultancy and professional services leadership roles at KPMG and EY. He is currently Audit Committee Chair and Senior Independent Director of Future plc, an international media group.

- A new independent Non-Executive Director and Remuneration Committee Chair designate would also be sought and appointed shortly after the date of the FY26 AGM. For this role the Board is seeking an individual with strong, proven industry, market and/or sector experience who can provide complementary skillsets and assist the Group in delivering growth. As of the date of this report, this search remains ongoing.

Audit Committee Report

During the year, the Audit Committee has continued to focus on the effectiveness of the controls throughout the Group and consisted of Mickey Kalifa, chair, Gillian Wilmot and Nathalie Schwarz. The committee met twice, and the external auditor and CFO were invited to attend these meetings. Consideration was given to the auditor's pre- and post-audit reports, and these provide opportunities to review the accounting policies, internal control and the financial information contained in both the annual and interim reports. The Committee also met with the auditors with no executives present.

By order of the board

NATHALIE SCHWARZ

Nathalie Schwarz

Chair

29/07/2026

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors act in a manner consistent with this statement, and in doing so they promote the success of the Group for the benefit of its shareholders, taking into consideration the interests of all stakeholders.

In this statement we outline the key aspects of our approach to section 172 and how our Directors have fulfilled their duties throughout the year. In summary, the Directors have consistently acted in accordance with their duties under section 172, working diligently to promote the success of ZOO and safeguard the interests of shareholders and stakeholders alike. We will continue to uphold these principles as we navigate the challenges and opportunities ahead, striving to create lasting value for all those connected to our business.

1. The likely consequences of any decisions in the long term

Our Directors are committed to making strategic decisions that drive long-term growth and value creation for our shareholders. This includes investments in development, forming strategic partnerships, and expanding both our service offerings and geographic footprint to achieve further market penetration.

2. The interests of the company's employees

Details of how the Directors have engaged with employees is provided in our Corporate Governance Statement.

We recognise the importance of attracting, retaining, and developing a talented workforce. We are committed to providing a safe and inclusive working environment, offering competitive remuneration packages, and investing in training and development programmes to help our employees reach their full potential.

3. The need to foster the company's business relationships with suppliers, customers, and others

Details of our approach to stakeholder engagement is provided in our Corporate Governance Statement.

4. The impact of the company's operations on the community and environment

The Directors continue to have regard to the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, the environment and the Group's reputation, when making decisions. Acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Group for its members in the long term. We explain this in our corporate governance section of this Annual Report.

5. The desirability of the company maintaining a reputation for high standard of business conduct

The Group has taken a low-risk approach in its investments and acquisitions by targeting long-established businesses that have been affiliate partners of ZOO for several years. These companies, which include media services providers and localisation vendors, have accumulated extensive experience of working in the cloud-based technology that ZOO operates throughout its global ecosystem of partners and freelancers. The all-encompassing approach supports unrestricted creativity while enforcing high standards of production quality, workflow efficiency and content security across the entire global Group.

The Chairman has overall responsibility for corporate governance and in promoting high standards throughout the Group. She leads and chairs the board, ensuring that committees are properly structured and operate with appropriate terms of reference, ensures that performance of individual directors, the board and its committees are reviewed on a regular basis, leads in the development of strategy and setting objectives, and oversees communication between the Group and its shareholders.

6. The need to act fairly between members of the company

Details of our decision making in this respect are provided in our Corporate Governance Statement.

The Directors are fully aware of their responsibilities to promote the success of the Group in accordance with section 172 of the Companies Act 2006. The Board regularly reviews its principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves. During the coming year the Directors will continue to value input from all stakeholders and this will be formalised in more detail in the coming months. In the opinion of the Directors the following significant events or decisions were required to be separately reported under this section.

To address the need to put the business on a sustainable footing the Board has engaged in right-sizing the business to reduce costs and also maintain sufficient capacity to take on new opportunities and products that are emerging in the media localisation market.

The transfer of production to our Indian subsidiary needs careful planning to both reduce our unit costs and maintain the quality of customer deliveries. The plan for this transfer was discussed, challenged and monitored by the Board.

ADVISERS

Company Secretary and Registered Office

Robert Pursell
ZOO Digital Group plc
7th Floor
Citygate
8 St Mary's Gate
Sheffield
S1 4LW

Tel: 0114 241 3700
Company no. 03858881

Bankers

HSBC Plc
Grosvenor House
1 Wellington Street
Sheffield
S1 4NB

Nominated advisor and broker

Canaccord Genuity Limited
88 Wood Street,
London, EC2V 7QR

Auditor

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Tax advisor

RSM UK Tax and Accounting Limited
25 Farringdon Street
London
EC4A 4AB

Registrar

Share Registrars Limited
Molex House
Millennium Centre
Crosby Way
Farnham
Surrey
GU9 7XX

Solicitors

DLA Piper UK LLP
Elshaw House
51 Carver Street
Sheffield
S1 4FT

DIRECTORS' REPORT

The Directors present their report on the affairs of the Group, together with the financial statements and the independent auditor's report, for the year ended 31 March 2026.

Principal activities

The principal activity of the Group for the year under review was to provide a range of services to allow TV and movie content to be localised in any language and prepared for sale with all major online retailers and to continue with ongoing research and development of productivity software in those areas. The principal activity of the Company was to act as a holding company for its trading subsidiaries.

Review of the business and future developments

A review of the development of the business together with an indication of future developments is included in the Chair's Statement and the Strategic Report set out on pages 2 to 11.

The audited financial statements for the year ended 31 March 2026 are set out on pages 47 to 93. The Directors do not recommend the payment of a dividend for the year.

Research and development

The Group undertakes research and development into software solutions for media preparation and processing. The aim of the software developed is to improve efficiencies, therefore reducing time and costs of producing physical and digital products.

Political contributions

During the year the Group made no political donations. (2025: nil)

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have reviewed the Group's forecasts up until 31 August 2027, taking account of the recovery and reasonably possible changes in trading performance, together with the planned capital investment over that same period. The Group is expected to have a sufficient level of financial resources available through operating cash flows for the period to 31 August 2027 ("the going concern period").

For the purpose of assessing the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have produced a financial model which includes a profit and loss account, balance sheet and cash flow forecast for the Group for the period to 31 August 2027. The forecasts consider the current cash position, the availability of banking facilities and an assessment of the principal areas of risk and uncertainty. This forecast shows that the business is EBITDA profitable and cash generative for the full forecast period. The cash generated will primarily be used to improve liquidity by further reducing trade creditors and paying down borrowings. In line with industry practice in this sector the Directors have used run rate business and informal indications from clients to substantiate a significant proportion of the forecast sales.

The Directors have also conducted a stress test exercise which involved reducing the revenue forecast to determine the point at which the Group's financing facilities would be exhausted. This included a series of cost reduction initiatives including exiting leases where possible and a reduction in the workforce to reflect the lower volumes of work. Upon review it was determined that the level of revenue required to exhaust the Group's financing facilities was not a plausible scenario.

The Group has a facility with HSBC Bank which provides invoice financing of up to \$5.0 million against US client invoices raised by ZOO Digital Production LLC. This facility is reviewed on an annual basis and was previously renewed on 31 March 2026 where the facility was increased from \$3.0 million to \$5.0 million. In the UK there is a similar facility which provides up to £2.0 million (\$2.7 million) against UK and Non-US client invoices raised by ZOO Digital Limited and an overdraft facility with a limit of £250,000 (\$345,000) in place with HSBC. Whilst the invoice financing facilities are cancellable by either party on a 90-day notice period, the directors are confident that they will be renewed and will remain available for the foreseeable future.

The Directors believe the assumptions used in preparing the trading and cash flow forecasts to be realistic and that the reverse stress test is implausible. Consequently, the Directors believe the Group will continue in operational existence for the foreseeable future, and the financial statements have therefore been prepared on a going concern basis.

Directors

The Directors who served during the year were as follows:

Gillian Wilmot	Non-Executive Chairman
Dr Stuart A Green	Chief Executive Officer
Phillip Blundell	Chief Finance Officer (resigned 13th August 2025)
Gordon Doran	Chief Commercial Officer
Mickey Kalifa	Non-Executive Director
Nathalie Schwarz	Non-Executive Director
Robert Pursell	Chief Finance Officer (appointed 13th August 2025)

Details of the interests in the shares of the Company at the beginning or subsequent date of appointment and end of the financial year of those Directors who held office at 31 March 2026 are disclosed in the Directors' Remuneration report. In accordance with the Company's Articles of Association, Gordon Doran will retire by rotation at the next Annual General Meeting and, being eligible, offer himself for re-election.

Directors' indemnities

The Group has granted an indemnity to one or more of its Directors against liability in respect of any proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. The Company has purchased and maintains directors' and officers' insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by such Director in the execution of their duties.

Financial risk management

The financial risk management is included in the Strategic Report and in note 30.

Streamlined Energy and Carbon Reporting (SECR)

ZOO's mandatory reporting of greenhouse emissions is pursuant to the Companies Act 2006 (Strategic report and Directors' report). ZOO's reporting year is the same as its financial year 31 March to align with our fiscal year and financial reporting year.

ZOO has only recently passed the test for reporting emissions data and is still refining the measures and data collection to comply with the legal requirements. We are only to report on an operational basis which is emissions ZOO is directly responsible for. This was calculated using data provided by our energy providers in both the UK and USA.

Our Group greenhouse electricity and gas emissions for the year ended 31 March 2026 and the year ended 31 March 2025 is summarised below.

SECR Metrics

	2026		2025	
	Kwh	tco2	Kwh	tco2
Scope 1 natural gas	0		0	
Scope 2 electricity	529,696	94	595,992	122
Scope3 car mileage	n/a		n/a	
Total	529,696	94	595,992	122

Substantial shareholdings

At 30 June 2026, the Company had been notified, in accordance with sections 791 to 825 of the Companies Act 2006, of the following interests in the ordinary share capital of the Company:

Name of holder	**Percentage held**	**Number**
Dr Stuart A Green*	**11.96%**	11,755,472
Interactive Investors	**9.38%**	9,215,786
Stonehage Fleming IM Limited LLC	**9.09%**	8,936,105
Hargreaves Lansdown private clients	**8.59%**	8,448,176

Herald Investment Trust plc	**8.32%**	8,181,978
Tyndall Investment Management	**6.57%**	6,455,733
Redmayne Bentley private clients	**5.40%**	5,309,346
Hargreave Hale AIM VCT	**4.48%**	4,400,000
AJ Bell private clients	**3.74%**	3,673,911
Barclays private clients	**3.41%**	3,355,746

* Shareholdings of Directors include any interests of a "connected person" (this term being defined as a shareholder and their spouse).

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report, the Directors' remuneration report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and they have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, 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 parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company 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 they have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so

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 and Directors' Remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 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 Company's auditor is aware of that information.

Auditor

HaysMac LLP have expressed their willingness to continue in office. In accordance with Section 489 (4) of the Companies Act 2006 a resolution to reappoint HaysMac LLP will be proposed at the Annual General Meeting.

By order of the board

Robert Pursell

Signed 29th July 2026

Robert Pursell

Director and Secretary

REMUNERATION COMMITTEE REPORT

I am pleased to present the remuneration committee report for FY26, which sets out the remuneration earned and paid to Directors in the year ended 31 March 2026.

As an AIM listed company, ZOO Digital Group plc is not required to comply with the remuneration reporting requirements applicable to fully listed companies in the UK. However, the Committee has taken a number of these regulations into account in the preparation of this report for the year as a matter of best practice.

The work carried out by the Remuneration Committee during the year included the following:

- A review of the performance of the Executive Directors
- A formal review of the scale and structure of their remuneration,
- Reviewing the basis of their service agreements, and
- Reviewing incentive plans and other employment related benefits with due regard to the interests of the shareholders

The Annual report on remuneration, detailed on pages 37 to 39 provides details of the amounts earned in respect of the year ended 31 March 2026 and how Directors' Remuneration Policy has operated and will be subject to an advisory shareholder vote at the 2026 AGM.

Review of the year ended 31 March 2026

Due to the trading challenges that resulted from industry disruption, no bonus scheme was implemented for the Executive Directors, and none received a bonus during the period.

No share options held by the Executive Directors vested in the period, nor were there share option grants in the year.

Outlook for FY27

The Committee remains committed to a fair and responsible approach to executive pay whilst ensuring it remains in line with best practice and appropriately incentivises Executive Directors over the longer term to deliver the Group's strategy. In respect of the Remuneration policy for FY27:

- The Committee determined it was appropriate to not increase the base salaries of the three Executive Directors at this stage to reflect the slow recovery of the business.
- The Committee approved a management bonus scheme providing a reward linked to Cash EBITDA over-performance to certain staff including Executive Directors.
- The Committee determined that it was not appropriate to grant further long-term incentives to the Executive Directors at this stage. The Committee may however consider making a preliminary grant of share options to Rob Pursell who joined ZOO in August 2025 in order to align his interests with the Company's shareholders. The Committee agreed to review the broader remuneration policy and to make recommendations in relation to long term incentives in due course

On behalf of the Board

NATHALIE SCHWARZ

Nathalie Schwarz

Chair of the Renumeration Committee

DIRECTORS' REMUNERATION REPORT

The Directors' remuneration report is presented as a voluntary disclosure in order to aid the understanding of the financial statements.

The Remuneration Committee

During the year ended 31 March 2026 the Remuneration Committee consisted of all non-executive directors and was chaired by Nathalie Schwarz.

The Remuneration Committee is responsible for determining the executive directors' remuneration packages, including bonuses, share options and other incentive schemes.

Executive directors

The committee aims to ensure compensation is fair and reasonable and that it motivates the executive directors in both the short and long-term.

The remuneration packages include:

- Basic salary
- Defined contribution to personal pension plans
- Private medical insurance
- Discretionary bonus
- Share options

Non-executive directors

Gillian Wilmot, Mickey Kalifa and Nathalie Schwarz are paid as employees for their board services.

Directors' remuneration

Directors' remuneration for the year to 31 March 2026 is:

	Salary	Bonus*	Benefits	Sub total	Pension	2026 Total	2025 Total
	$000	$000	$000	$000	$000	$000	$000
Dr Stuart A Green**	285	-	-	285	9	294	317
Gordon Doran	413	-	35	448	-	448	446
Phillip Blundell	120	-	-	120	-	120	257
Robert Pursell	193			193	1	194	-
Gillian Wilmot	94	-	-	94	-	94	86
Mickey Kalifa	52	-	-	52	1	53	51
Nathalie Schwarz	52	-	-	52	1	53	51
	1,209	-	35	1,244	12	1,256	1,208

* No bonus was payable to the executive directors in respect of the year ended 31 March 2026. The balance of the payment of the bonus for the year ended 31 March 2023 is subject to the approval of the remuneration committee.

** During FY25 Stuart Green voluntarily sacrificed 20% of his salary which continued throughout the whole of FY26. His full salary was reinstated from 1 April 2026.

Of the above, the following Directors were remunerated in pound sterling for the year to 31 March 2026. The pound sterling amounts are shown below:

	Salary	Bonus	Sub total	Pension	2026 Total	2025 Total
	£000	£000	£000	£000	£000	£000
Dr Stuart A Green	214	-	214	6	220	249

Phillip Blundell	**90**	**-**	**90**	**-**	**90**	202
Robert Pursell	**144**	**-**	**144**	**1**	**145**	-
Gillian Wilmot	**70**	**-**	**70**	**-**	**70**	68
Mickey Kalifa	**39**	**-**	**39**	**1**	**40**	40
Nathalie Schwarz	**39**	**-**	**39**	**1**	**40**	40
	596	**-**	**596**	**9**	**605**	599

Gordon Doran is remunerated in US dollars.

Four Directors (2025: three) serving during the year have been members of money purchase pension schemes into which the Company contributes.

The highest paid Director received emoluments and benefits as follows:	**2026**	2025
	$000	$000
Emoluments	**448**	446

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. Details of the options are as follows:

Name of Director	1 April 2025	Granted during the year	Exercised during the year	Surrendered during the year	31 March 2026	Exercise price ($)	Exercise price (£)	Date from which exercis e-able	Expiry date
Stuart A Green	175,000	-	-	-	175,000	$0.20	15.25p[1]	Sep-17	Aug-27
Gordon Doran	1,500,000	-	-	-	1,500,000	$0.20	15.25p[1]	Sep-17	Aug-27
Gordon Doran	1,000,000	-	-	-	1,000,000	$0.20	15.25p[2]	Aug-18	Aug-27
Mickey Kalifa	30,000	-	-	-	30,000	$0.49	37.50p	Oct-18	Oct-27
Phillip Blundell	150,000	-	-	-	150,000	$0.80	63.00p	Jun-20	Lapsed
Gillian Wilmot	50,000	-	-	-	50,000	$0.80	63.00p[3]	Jun-20	Jun-29
Gordon Doran	110,000	-	-	-	110,000	$0.89	72.5p[4]	May-21	May-30
Phillip Blundell	400,000	-	-	-	400,000	$0.89	72.5p[4]	May-21	Lapsed
Gordon Doran	150,000	-	-	-	150,000	$1.76	1.30[5]	Jan-23	Lapsed
Phillip Blundell	150,000	-	-	-	150,000	$1.76	1.30[5]	Jan-23	Lapsed
	3,715,000	-	-	-	3,715,000				

[1] The 2017 issue of share options has a vesting condition that the Company's share price must be £0.20 or higher for 3 months immediately prior to exercise.

[2] The 1,000,000 share options issued to Gordon Doran in 2017 have a vesting condition relating to the profitability of the Group which was achieved in 2022.

[3] The share options issued to Gillian Wilmot will now lapse on 31 December 2026.

[4] The share options exercisable from May 2021 have a vesting condition relating to the profitability of the Group which was achieved in 2023.

[5] The share options exercisable from January 2023 have a vesting condition relating to the profitability of the Group. This has been judged to be unattainable, and these share options lapsed in April 2025.

The exercise of share options granted prior to 31 March 2020 is staggered over the exercise period with typically 40% exercisable after the first year and a further 30% in each of the next two years.

The charge to profit or loss in respect of Directors' share options amounted to ($nil) (2025: nil).

The market price of the ordinary shares at 31 March 2026 was 16 cents (12.5p) and the range during the year was 29 cents (21p) (high) to 11 cents (8.6p) (low).

Service contracts

The service contracts and letters of appointment of the Directors include the terms in the table below.

All the Directors are on rolling director appointments and offer themselves for re-election by rotation in accordance with the Company's Articles of Association.

Upon termination of their service agreement, executive directors are entitled to salary equivalent to their notice period.

Name of Director	Date of appointment	Notice period
Executive directors		
Dr Stuart A Green	28 January 2000	12 months
Robert Pursell	13 August 2025	6 months
Gordon Doran	28 July 2009	12 months
Non-executive directors		
Gillian Wilmot*	1 July 2019	3 months
Mickey Kalifa	5 October 2017	3 months
Nathalie Schwarz	13 January 2022	3 months

* Gillian Wilmot ceased to be a Director of the Company on 18 May 2026.

Directors' interests

The Directors who held office at 31 March 2026 had the following interests, including any interests of a "connected person", in the 1p ordinary shares of ZOO Digital Group plc:

	2026	2025
Name of Director	**Beneficial**	Beneficial
Gillian Wilmot	**194,422**	194,422
Dr Stuart A Green	**11,755,472**	11,755,472
Gordon Doran	**406,033**	406,033
Mickey Kalifa	**50,000**	50,000

Shares are held on behalf of two of the Directors in the long-term incentive plan.

No other transactions have taken place with Directors.

No changes (other than noted above) took place in the interests of Directors between 31 March 2026 and 30 June 2026.

INDEPENDENT AUDITORS' REPORT

to the members of Zoo Digital Group PLC

Opinion

We have audited the financial statements of Zoo Digital Group PLC (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise:

Group	Company
• the Consolidated Statement of Comprehensive Income;	• the Company Statement of Changes in Equity;
• the Consolidated Statement of Changes in Equity;	• the Company Balance Sheet;
• the Consolidated Balance Sheet;	• and related notes to the financial statements
• the Consolidated Statement of Cash flows;	
• and related notes to the financial statements	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. 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 2026 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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.

An overview of the scope of our audit

The Group consists of 13 components, located in various geographical territories where all components are trading.

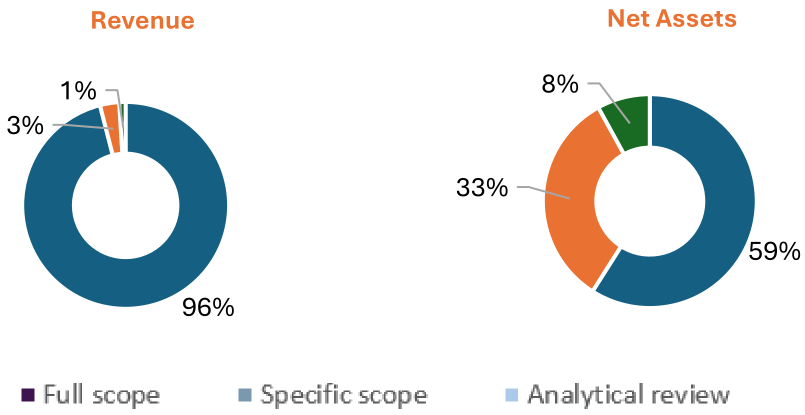
The scope of the audit and our audit strategy was developed by using our audit planning process to obtain an understanding of the Group, its activities, its internal control environment, current, and where relevant to our audit, likely future developments.

Our audit testing was informed by this understanding of the Group and accordingly was designed to focus on areas where we assessed there to be the most significant risks of material misstatement.

Audit work to respond to the assessed risks was performed directly by the audit engagement team who performed full scope audit procedures on the Parent Company and the Group as a whole.

Our audit planning and risk assessment identified 3 components (one of which was Zoo Digital Group PLC, the Parent company) which were categorised as full scope audits. Two components were deemed to be material to the group and specific scope procedures were performed. The remaining components were deemed to be out of scope and were therefore tested as analytical review components. Further information around these procedures is disclosed within the key audit matters section of this report.

The below graphs summarise the monetary coverage achieved through our audit procedures:



Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In addition to the key audit matters highlighted below in our report, going concern was also considered to be a key audit matter within our audit. Our audit procedures to evaluate the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included, but were not limited to:

- Discussing management's assessment of the group's ability to remain a going concern;
- Reviewing and understanding the cash flow forecasts for the period to end of July 2026 which are the central element of management's going concern assessment;
- Assessing and challenging the inputs in and judgements made in the preparation of the cash flow forecasts for at least 12 months from the date of approval of the financial statements; and
- Performing stress tests including sensitivity analysis to model the effect of changing assumptions made or amending key data used in management's cash flow forecasts and considering the impact on the group's ability to adopt the going concern basis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

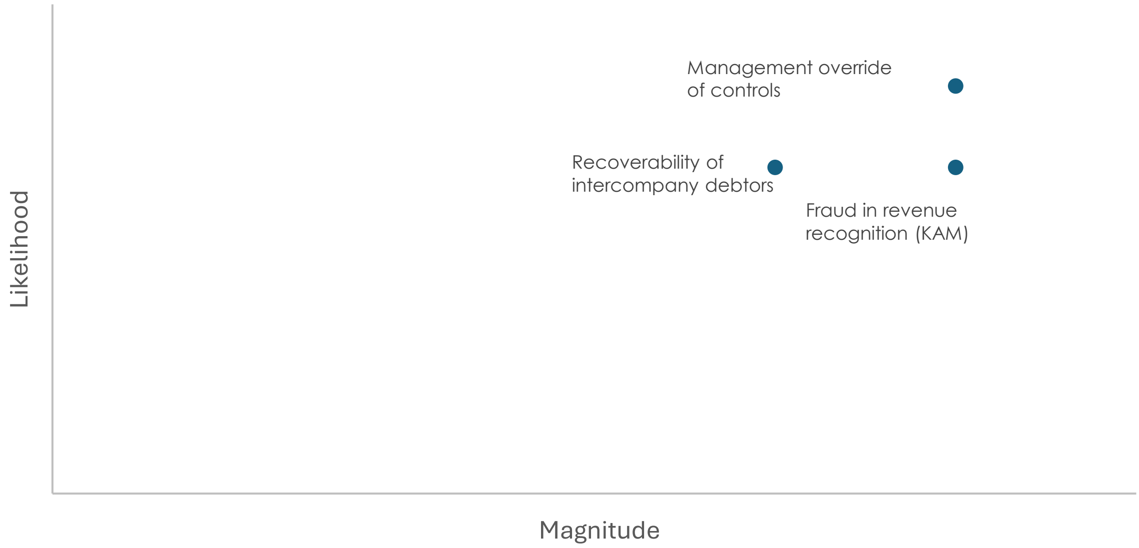
In determining the key audit matters we considered the:

- Areas of higher risks of material misstatement or significant risks identified in accordance with ISA (UK) 315
- Significant audit judgements on financial statement line items that involved significant management judgement such as accounting estimates, and
- The impact of significant events and transactions during the period covered by the audit.

The following table summarises the key audit matters we have identified and rationale for their identification together we how we responded to each in our audit and our key observations.

Key audit matter	How we addressed the key audit matter in the audit
Revenue recognition (Group) The Group has two revenue streams, media production and software licensing. Details of the accounting policies applied are given in note 1.5. During the year ended 31 March 2026, the Group have recognised revenues of $42,343k (2024: $49,570k). For media production, the Group recognises revenue largely over time as the group satisfies performance obligations by transferring the promised services to the customers. For software licensing, the revenue is again recognised over time, with revenue assessed on a contract by contract basis to identify the performance obligations included within the contact and specifically whether the licence is considered to be a distinct performance obligation. The application of the five-step model of IFRS 15, in particular determining whether a contract exists with a customer, and the determination of whether the performance obligations included in such contract have been satisfied, involves judgement. Revenue is also deemed to be a key metric to users of the financial statements. As a result, this was deemed to be an area of high importance in the Group audit and was therefore determined to be a key audit matter.	In response to this risk, our work consisted of, but was not limited to, the following audit procedures in respect of all full scope and specific scope components: • We obtained a detailed understanding of the revenue recognition policy for each stream of income and evaluating whether it is in accordance with IFRS 15, "Revenue from Contracts with Customers"; • We performed a substantive review over the occurrence of revenue through reconciling cash receipts in the period to the nominal ledger; • Determined whether management had correctly identified the various performance obligations and allocated the appropriate transaction price to each performance obligation for contracts in the year and at year end; • Assessed the appropriateness of recognition of contract assets and liabilities and whether income had been adjusted accordingly; • For media production we substantively tested a number of transactions by agreeing to supporting documentation including purchase orders, sales invoices and evidence of delivery of the performance obligation to customers to ensure that the revenue recognition at year end was accurate, and that fully recognised contracts in the year had occurred and been completed; • For software licensing revenue we substantively tested a sample of transactions and recalculated the expected monthly revenue from these contracts to ensure that the revenue recognition was appropriate; • Using Data Analytical procedures, we performed a review of entries posted to revenue accounts in the period to determine entries which did not follow the expected flow of transactions; and • We performed a test of detail for transactions in March 2026 and April 2026, obtaining evidence to demonstrate the performance obligations were satisfied in the period in which the transactions had been recognised.

Significant Risk Areas



Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

	Group Financial Statements	Parent Company Financial Statements
Materiality	$635,000	$409,000
Benchmark	Materiality for the Group was determined to be 1.5% of total forecast Group revenues for the period, based on the point at which we performed our audit planning and risk assessment. Revenue is a key metric to management and users of the financial statements, and as such was deemed the most appropriate benchmark for determining materiality. We also considered other important metrics in determining materiality for the Group, and the chosen revenue materiality fell within the acceptable range for these alternative metrics, including EBITDA and Net Profit.	Materiality for the Parent company was determined to be 0.5% of total assets. The Parent company is a holding company for investments in subsidiaries, intercompany balances and intangible assets, and as such total assets is deemed to be an important metric to users of the Parent company financial statements.
Basis for, and judgements used in the determination of materiality	Revenue is a key metric to management and users of the financial statements, and as such was deemed the most appropriate benchmark for determining materiality. The Group's long term strategic plans highlight a focus on revenue growth.	The Parent company is a holding company for investments in subsidiaries, intercompany balances and intangible assets, and as such total assets is deemed to be an important metric to users of the Parent company financial statements.

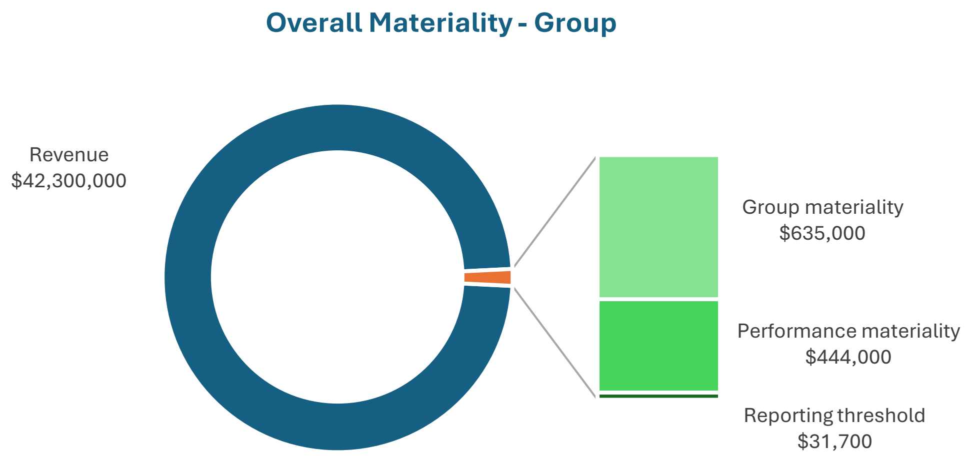
We also considered other important metrics in determining materiality for the Group, such as profit based metrics, and the chosen revenue materiality fell within the acceptable range for these alternative metrics.

Performance materiality - Based on our risk assessment and our review of the Group's control environment, performance materiality was set at 70% of materiality, being $444,000. We determined performance materiality to be 70% for the Group and all full scope components to reflect our increased knowledge of the significant risks and operation of the group this year. We do note that the entity is AIM listed and therefore is a higher level of risk. We evidenced effective controls in place which mitigate the risk of misstatement and have obtained evidence to support their effectiveness through our assessment of controls and walkthrough procedures. We typically set performance materiality between 50% and 75% of materiality.

Performance materiality for the Parent company was set at 70% of materiality being $286,000.

Reporting threshold - The reporting threshold to the audit committee was set as 5% of materiality, being $31,700.

Reporting threshold for the Parent company was set at 5% of materiality, being $20,500.



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 period 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 directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements in respect of employment law, including but not limited to minimum wage regulation, and food standards requirements. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate manual journal entries to revenue and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- The evaluation of management's controls designed to prevent and detect irregularities;
- The identification and review of manual journals, in particular journal entries which shared key risk characteristics; and
- The review and challenge of assumptions, estimates and judgements made by management in their recognition of accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jon Dawson (Senior Statutory Auditor)
For and on behalf of Haysmac LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG
29 July 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Note	**2026** $000	2025 $000
Revenue	5	**42,343**	49,570
Cost of sales		**(24,715)**	(31,549)
Gross Profit		**17,628**	18,021
Other income	6	**120**	-
Administrative expenses	8	**(19,358)**	(24,499)
Operating loss		**(1,610)**	(6,478)
Analysed as:			
Adjusted EBITDA	11	**3,993**	1,109
Share based payments	8	**-**	-
Depreciation and impairment	8	**(3,335)**	(5,197)
Amortisation	8	**(2,268)**	(2,390)
		(1,610)	(6,478)
Share of loss of associates and JVs	18	**(49)**	(48)
Disposal of Investments and ROU assets		**(184)**	-
Impairment loss on associate	18	**(1,542)**	(1,457)
Finance income	7	**25**	43
Exchange gain/(loss) on borrowings	7	**(16)**	20
Finance cost	7	**(468)**	(422)
Total finance costs		**(459)**	(359)
Loss before taxation		**(3,844)**	(8,342)
Tax credit on loss	12	**157**	362
Loss for the year		**(3,687)**	(7,980)
Other comprehensive income			
Currency translation gain/(loss)		**(332)**	14
Total comprehensive loss for the year		**(4,019)**	(7,966)

Loss for the year and total comprehensive loss for the year are all attributable to the owners of the Parent Company

	Note	2026	2025
Loss per share	14		
basic		(3.80) cents	(8.10) cents
diluted		(3.80) cents	(8.10) cents

The notes on pages 55 to 92 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2026

	Note	2026 $000	2025 $000
ASSETS			
Non-current assets			
Intangible assets	17	**13,573**	**14,285**
Property, plant and equipment	15	**4,004**	**7,218**
Investment in associated undertakings	18	**-**	**1,591**
Deferred income tax assets	19	**461**	**321**
		18,038	**23,415**
Current assets			
Trade and other receivables	20	**7,956**	**12,883**
Contract assets	26	**2,290**	**2,244**
Cash and cash equivalents	21	**3,574**	**2,714**
		13,820	**17,841**
Total assets		**31,858**	**41,256**
LIABILITIES			
Current liabilities			
Trade and other payables	25	**(11,104)**	**(16,160)**
Contract liabilities	26	**(289)**	**(618)**
Borrowings	24	**(2,894)**	**(1,473)**
		(14,287)	**(18,251)**
Non-current liabilities			
Borrowings	24	**(1,758)**	**(3,185)**
		(1,758)	**(3,185)**
Total liabilities		**(16,045)**	**(21,436)**
Net assets		**15,813**	**19,820**
EQUITY			
Equity attributable to equity holders of the parent			
Called up share capital	23	**1,290**	**1,290**
Share premium reserve	23	**70,805**	**70,805**
Foreign exchange translation reserve	23	**(126)**	**(138)**
Share option reserve	23	**1,319**	**2,692**
Capital redemption reserve	23	**6,753**	**6,753**
Interest in own shares	23	**(63)**	**(63)**
Other reserves	23	**12,320**	**12,320**
Merger reserve	23	**1,326**	**1,326**
Accumulated losses	23	**(77,811)**	**(75,165)**

Attributable to equity holders	**15,813**	**19,820**

The notes on pages 55 to 92 are an integral part of these consolidated financial statements.

The financial statements on pages 47 to 92 were approved and authorised for issue by the board of directors on 29 July 2026 and were signed on its behalf.

Robert Pursell

Stuart A Green	**Robert Pursell**
Chief Executive Officer	Chief Finance Officer

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2026

	Note	2026 $000	2025 $000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**163**	960
Intangible assets	17	**-**	2
Investments in associated undertakings	18	-	1,591
Investment in subsidiary undertakings	18	**8,066**	8,066
Amounts due from subsidiary undertakings	20	**48,071**	59,370
		56,300	69,989
Current assets			
Trade and other receivables	20	**711**	511
Cash and cash equivalents	21	**12**	21
		723	532
Current liabilities			
Trade and other payables	25	**(31,364)**	(25,361)
Borrowings	24	**(9,725)**	(9,803)
		(41,089)	(35,164)
Total assets less current liabilities		**15,934**	35,357
Non-current liabilities			
Borrowings	24	**-**	(61)
		-	(61)
Net assets		**15,934**	35,296
EQUITY			
Called up share capital	23	**1,290**	1,290
Share premium reserve	23	**70,805**	70,805
Foreign exchange translation reserve	23	**(13)**	(13)
Share option reserve	23	**1,319**	2,692
Capital redemption reserve	23	**6,753**	6,753
Interest in own shares	23	**(4)**	(4)
Other reserves	23	**10,596**	10,596
Merger reserve	23	**1,326**	1,326
Accumulated losses	23	**(76,138)**	(58,149)
Total equity		**15,934**	35,296

Company registration number: 03858881

The Company has elected to take the exemption under section 408(2) of the Companies Act 2006 to not present the parent company Statement of Comprehensive Income.

The loss for the parent company for the year was $19,362,000 (2025: loss of $3,427,000) which increased due to a $16.6 million provision for an Expected Credit Loss provision created on the intercompany balances between the company and its subsidiaries as detailed in note 20.

The notes on pages 55 to 93 are an integral part of these consolidated financial statements.

The financial statements on pages 47 to 93 were approved and authorised for issue by the board of directors on 29 July 2026 and were signed on its behalf.

Robert Pursell

Stuart A Green	**Robert Pursell**
Chief Executive Officer	Chief Finance Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

	Ordinary shares	Share premium reserve	Foreign exchange translation reserve	Share option reserve	Capital redemption reserve	Merger reserve	Other reserves	Accumulated losses	Interest in own shares	Total equity attributable to the owners of the Parent
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 April 2024	1,284	70,683	(152)	2,685	6,753	1,326	12,320	(67,185)	(63)	27,651
Issue of Share Capital	6	122	-	-	-	-	-	-	-	128
Share options exercised	-	-	-	7	-	-	-	-	-	7
Transactions with owners	6	122	-	7	-	-	-	-	-	135
Loss for the year	-	-	-	-	-	-	-	(7,980)	-	(7,980)
Foreign exchange loss on overseas subsidiary translation	-	-	14	-	-	-	-	-	-	14
Total comprehensive income for the year	-	-	14	-	-	-	-	(7,980)	-	(7,966)
Balance at 31 March 2025	**1,290**	**70,805**	**(138)**	**2,692**	**6,753**	**1,326**	**12,320**	**(75,165)**	**(63)**	**19,820**
Prior Year Adjustment*	-	-	-	(966)	-	-	-	966	-	-
Restated at 31 March 2025	**1,290**	**70,805**	**(138)**	**1,726**	**6,753**	**1,326**	**12,320**	**(74,199)**	**(63)**	**19,820**
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-
Share options lapsed	-	-	-	(407)	-	-	-	407	-	-
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	-	(4,019)	-	(4,019)
Foreign exchange loss on overseas subsidiary translation	-	-	12	-	-	-	-	-	-	12
Total comprehensive loss for the year	-	-	12	(407)	-	-	-	(3,612)	-	(4,007)
Balance at 31 March 2026	**1,290**	**70,805**	**(126)**	**1,319**	**6,753**	**1,326**	**12,320**	**(77,811)**	**(63)**	**15,813**

* Prior Year Adjustment relates to options lapsed in previous years where the reserve transfer had not been fully accounted for.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

	Ordinary shares	Share premium reserve	Foreign exchange translation reserve	Share option reserve	Capital redemption reserve	Merger reserve	Other reserves	Accumulated losses	Interest in own shares	Total equity attributable to the owners of the Parent
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Balance at 1 April 2024	1,284	70,683	(13)	2,685	6,753	1,326	10,596	(54,722)	(4)	38,588
Issue of share capital	6	122	-	-	-	-	-	-	-	128
Share options exercised	-	-	-	7	-	-	-	-	-	7
Transactions with owners	**6**	**122**	-	7	-	-	-	-	-	135
Loss for the year	-	-	-	-	-	-	-	(3,427)	-	(3,427)
Total comprehensive income for the year	-	-	-	-	-	-	-	(3,427)	-	(3,427)
Balance at 31 March 2025	**1,290**	**70,805**	**(13)**	**2,692**	**6,753**	**1,326**	**10,596**	**(58,149)**	**(4)**	**35,296**
Prior Year Adjustment*	-	-	-	(966)	-	-	-	966	-	-
Restated at 31 March 2025	**1,290**	**70,805**	**(13)**	**1,726**	**6,753**	**1,326**	**10,596**	**(57,183)**	**(4)**	**35,296**
Issue of share capital	-	-	-	-	-	-	-	-	-	-
Share options lapsed	-	-	-	(407)	-	-	-	407	-	-
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	-	(19,362)	-	(19,362)
Total comprehensive income for the year	-	-	-	(407)	-	-	-	(18,955)	-	(19,362)
Balance at 31 March 2026	**1,290**	**70,805**	**(13)**	**1,319**	**6,753**	**1,326**	**10,596**	**(76,138)**	**(4)**	**15,934**

* Prior Year Adjustment relates to options lapsed in prior years where the reserve transfer had not been fully accounted for.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

	Note	2026 $000	2025 $000
Cash flows from operating activities			
Operating loss for the year		**(1,610)**	(6,478)
Depreciation and impairment	15	**3,335**	5,197
Amortisation and impairment	17	**2,268**	2,390
Share based payments		**-**	-
Disposal of property, plant and equipment		**-**	-
Changes in working capital:			
Decrease/(Increase) in trade and other receivables		**4,881**	(1,074)
(Decrease)/Increase in trade and other payables		**(5,385)**	1,073
Cash flow from operations		**3,489**	1,108
Tax received		**17**	377
Net cash inflow from operating activities		**3,506**	1,485
Investing activities			
Purchase of intangible assets	17	**-**	(7)
Capitalised development costs	17	**(1,656)**	(1,519)
Purchase of investments		**-**	-
Business combinations (net of cash acquired)		**130**	(30)
Purchase of property, plant and equipment	15	**(132)**	(731)
Sale of property, plant and equipment		**-**	-
Finance income		**25**	43
Net cash outflow from investing activities		**(1,633)**	(2,244)
Cash flows from financing activities			
Proceeds from borrowings		**1,371**	-
Repayment of borrowings		**(65)**	-
Repayment of principal under lease liabilities		**(1,562)**	(1,585)
Finance cost		**(472)**	(388)
Share options exercised		**-**	7
Issue of share capital		**-**	128
Transaction costs for issue of share capital		**-**	-
Net cash (outflow) from financing		**(728)**	(1,838)
Net increase/(decrease) in cash and cash equivalents		**1,145**	(2,597)
Cash and cash equivalents at the beginning of the year		**2,714**	5,315
Exchange loss on cash and cash equivalents		**(285)**	(4)
Cash and cash equivalents at the end of the year	21	**3,574**	2,714

The notes on pages 55 to 93 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2026

1. General information

ZOO Digital Group plc ('the Company') and its subsidiaries (together 'the Group') provide services for digital content authoring, video post-production and localisation for entertainment, publishing and packaging markets and continue with on-going research and development in those areas. The Group has operations in the UK, US, India, Italy, Germany, Dubai and S. Korea and joint ventures in Turkey and Spain.

The Company is a public limited company which is listed on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is 7th Floor, Citygate, 8 St Mary's Gate, Sheffield.

The registered number of the Company is 03858881.

The consolidated financial statements are presented in US dollars, the currency of the primary economic environment in which the Company operates (note 2.4.1). Monetary amounts in these financial statements are rounded to the nearest $000. The functional currency of the parent Company, ZOO Digital Group plc, is US dollars.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

2.1. Basis of preparation and going concern

Group financial statements

These financial statements have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006.

The preparation of financial statements in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006 requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 3.

Parent Company financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, and intangible assets;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- comparative narrative information;
- for financial instruments measured at fair value and within the scope of IFRS 13, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with

significant unobservable inputs on the result for the period and the impact of credit risk on the fair value; and

- related party disclosures for transactions with the parent or wholly owned members of the Group.

The Company applies accounting policies, key judgements, and key estimates on a consistent basis as the Group, except for disclosure exemptions set out above. To the extent that an accounting policy is relevant to both Group and Parent Company financial statements, the Group accounting policy disclosed below provides details of the accounting policy insofar as this is relevant to the Company.

A separate Statement of Comprehensive Income for the parent company has not been presented as permitted by section 408 (2) of the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have reviewed the Group's forecasts up until 31 August 2027, taking account of the recovery and reasonably possible changes in trading performance, together with the planned capital investment over that same period. The Group is expected to have a sufficient level of financial resources available through operating cash flows for the period to 31 August 2027 ("the going concern period").

For the purpose of assessing the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have produced a financial model which includes a profit and loss account, balance sheet and cash flow forecast for the Group for the period to 31 August 2027. The forecasts consider the current cash position, the availability of banking facilities and an assessment of the principal areas of risk and uncertainty. This forecast shows that the business is EBITDA profitable and cash generative for the full forecast period. The cash generated will primarily be used to improve liquidity by further reducing trade creditors and paying down borrowings. In line with industry practice in this sector the Directors have used run rate business and informal indications from clients to substantiate a significant proportion of the forecast sales.

The Directors have also conducted a stress test exercise which involved reducing the revenue forecast to determine the point at which the Group's financing facilities would be exhausted. This included a series of cost reduction initiatives including exiting leases where possible and a reduction in the workforce to reflect the lower volumes of work. Upon review it was determined that the level of revenue required to exhaust the Group's financing facilities was not a plausible scenario.

The Group has a facility with HSBC Bank which provides invoice financing of up to $5.0 million against US client invoices raised by ZOO Digital Production LLC. This facility is reviewed on an annual basis and was previously renewed on 31 March 2026 where the facility was increased from $3.0 million to $5.0 million. In the UK there is a similar facility which provides up to £2.0 million ($2.7 million) against UK and Non-US client invoices raised by ZOO Digital Limited and an overdraft facility with a limit of £250,000 ($345,000) in place with HSBC. Whilst the invoice financing facilities are cancellable by either party on a 90-day notice period, the directors are confident that they will be renewed and will remain available for the foreseeable future

The Directors believe the assumptions used in preparing the trading and cash flow forecasts to be realistic and that the reverse stress test is implausible. Consequently, the Directors believe the Group will continue in operational existence for the foreseeable future, and the financial statements have therefore been prepared on a going concern basis.

2.1.1. Standards and interpretations in issue at 31 March 2026 but not yet effective and have not yet been adopted early by the Group

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK Endorsement Board):

Standard/Interpretation	**Effective Date**
Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)	1 January 2026
Contracts Referencing Nature-Dependent Electricity (Amendments to IFRS 7 and IFRS 9)	1 January 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	1 January 2027

IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027

Effective dates refer to periods commencing on or after this date. The Group's reported financial results are not expected to be materially affected by any standard. However, the presentation and disclosure of its results are expected to be impacted by the adoption IFRS 18 which is predominantly a disclosure-only standard. Given this impacts only disclosures, the Directors do not expect there to be an impact on the reported profits or net assets of the Group from adopting these standards. As this is a disclosure-led standards, the Directors have not presented a list of impacts on the financial statements.

2.2. Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained until the date that control ceases.

The consolidated financial statements of ZOO Digital Group plc include the results of the Company and its subsidiaries. Subsidiary accounting policies are amended where necessary to ensure consistency within the Group and intra group transactions are eliminated on consolidation.

The Group applies the acquisition method when accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and equity interests issued the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition date fair values. However, such fair values and all associated accounting entries are subject to revision during a period not exceeding 12 months following the date of acquisition, insofar as the accounting for the business combination is incomplete by the end of the first reporting period date. As a result, ZOO Digital Group plc revises any provisional amounts retrospectively to reflect further evidence received in respect of acquisition date values. There have been no revisions in the current year.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting regularly reviewed by the Group's chief operating decision maker (chief executive) to make decisions about resource allocation to the segments and to assess their performance. The segments are described further in note 4.

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US dollars which is the parent Company and Group's functional and presentation currency. The functional currency of the Company's primary operating subsidiaries is US dollars, therefore the majority of transactions between the Company and its subsidiaries and the Company's revenue and receivables are denominated in US dollars.

The US dollar/pound sterling exchange rate at 31 March 2026 was 0.752 (2025: 0.775).

In 2009 the Group changed its functional currency from Pound Sterling to US Dollars, creating a translation reserve at this date. Following a review of the reserve at that date, the Directors have determined that the continued existence of this does not support the clarity of the financial statements, and that the reserve is better utilised in the ongoing translation of new foreign subsidiaries that do not have the US Dollar as functional currency. Accordingly, in the prior year the brought forward element of the reserve has been reclassified in its entirety to retained earnings.

2.4.2. Transactions and balances

Transactions in foreign currencies are recorded at the prevailing rate of exchange in the month of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the profit/(loss) for the year in the Consolidated Statement of Comprehensive Income.

2.4.3. Group companies

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each entity are translated at the closing rate at the year end date;
- income and expenses for each Statement of Comprehensive Income are translated at the prevailing monthly exchange rate for the month in which the income or expense arose.

2.5. Intangible assets

2.5.1. Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2.5.2. Patent and trademark costs

Patent and trademark costs are stated at cost, net of amortisation and any provision for impairment. Patents and trademarks have a finite useful life and amortisation is charged to profit or loss on a straight line basis over the estimated useful economic life which is assessed to be 10 years.

2.5.3. Research and Development costs

Research expenditure is charged to profit or loss in the period in which it is incurred. Development costs are recognised as an intangible asset if they fulfil the following criteria:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the expenditure attributable to the intangible asset during its development can be reliably measured.

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

Development costs recognised as an intangible asset are amortised on a straight line basis over the estimated useful life of three years or the length of any current sales contracts, from the point at which the asset is ready for sale or use.

2.5.4. Computer software

Acquired computer software is shown at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over its estimated useful life of three years from the date the asset is available for use.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and are expected to generate economic benefits exceeding costs beyond one year, are recognised as development costs within intangible assets. See note 2.5.3 Research and Development costs.

2.6. Investments in subsidiary undertakings

In the Company, investments in subsidiary undertakings are carried at cost less any impairment. The investments are reviewed on an annual basis for any indication of impairment. The investments are eliminated on consolidation.

2.6.1. Joint ventures and associates

Joint ventures are all entities in which the Group has shared control with another entity, established by contractual agreement. Associates are all entities over which the Group has significant influence but not control, generally accompanied by a share of between 20% and 50% of the voting rights. Joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of the profits or losses is recognised in the Consolidated Statement of Comprehensive Income. If the share of losses equals its investment, the Group does not recognise further losses, except to the extent that there are amounts receivable that are long-term and may not be settled in the foreseeable future. Unrealised gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in them. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the joint ventures and associates are consistent with those of the Group.

2.7. Property, plant and equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation and impairment. Depreciation is provided on all such assets at rates calculated to write off the cost of each asset less estimated residual value, on a straight-line basis, over its estimated useful life, as follows:

Leasehold improvements	5 years or over the term of the lease, if shorter
Computer hardware	between 2 and 3 years
Office equipment, fixtures and fittings	between 2 and 5 years
Production equipment	between 2 and 3 years

2.8. Impairment of non-current assets

The Group assesses at each year end date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

For goodwill, intangible assets that have an indefinite life and intangible assets not yet available for use, the recoverable amount is estimated at each year end date and an impairment loss is recognised for the amount by which the asset's carrying value amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

2.9. Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement.

The Group monitors its exposure and adopts forward foreign exchange contracts where it deems appropriate and where commercially viable to hedge its exposure to currency risk.

Financial instruments are recognised in the Statement of Financial Position at fair value when the Group becomes a party to the contractual provisions of the instrument, with movements reflected in profit or loss. The Group does not use hedge accounting for its forward foreign currency contracts and does not use forward foreign currency contracts for speculative purposes.

2.9.1. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Amounts due in respect of invoice financing are separately disclosed as current and non-current liabilities. The Group can use these facilities to draw down the value of certain sales invoices. The management and collections of trade receivables remains with the Group.

2.9.2. Trade receivables

Trade receivables are amounts due from clients for provision of services in the ordinary course of business. They are recognised initially at their transaction price and subsequently at their amortised cost using the effective interest rate method, less provision for any expected credited losses.

2.9.3. Impairment of financial assets

The impairment requirement of IFRS 9 uses forward-looking information to recognise expected credit losses – the "expected credit loss (ECL) model". Instruments within the scope of IFRS 9 included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit and loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

The Group adopts the simplified approach to calculate expected credit losses for short term receivables. The measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the trade receivables, as adjusted for forward-looking information, or over the expected life of the financial instrument for other instruments. The Group considers financial assets to be in default when the borrower is unlikely to pay its obligations or has entered into a formal insolvency process (or similar).

2.9.4. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits held with banks.

2.9.5. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recorded initially at fair value and subsequently measured at their amortised cost using the effective interest rate method.

2.10. Share based payments

Options are measured at fair value at grant date using the binomial model. The fair value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest.

Under the Group's share option scheme, share options are granted to Directors and selected employees. The options are expensed in the period over which the share based payment vests. A corresponding increase to the share option reserve under shareholder's funds is recognised.

When share options are exercised, the Company issues new shares. The nominal share value from the proceeds received are credited to share capital and proceeds received above nominal value, net of attributable transaction costs, are credited to the share premium when the options are exercised. When share options are forfeited, cancelled or expire, the corresponding fair value is transferred to the accumulated losses reserve.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The Group operates an employee share incentive scheme, namely the Enterprise Management Incentive (the "EMI" and the share incentive plan ("SIP").

The total expense for the period relating to employee share-based payment plans have been included in the consolidated financial statements as the Group exercises control over the EMI in accordance with the terms of the scheme rules.

The Group's EMI scheme is an equity-settled share option scheme approved by HMRC. Options have also been granted under the terms of HMRC's schedule, which is not approved.

Under the EMI scheme the trustees may grant options over shares in the Company to eligible employees. The eligible employees to whom options are granted and the terms of such options will be determined by the Directors of ZOO or the trustees. The employees who are eligible to participate in the EMI scheme are all ZOO's employees, including the employees of the Company's subsidiaries. Options are not transferable.

ZEST holds shares for employees only. Its statement of financial position is consolidated within the Group.

2.11. Pension costs and other post-retirement benefits

The Group operates only defined contribution schemes and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further obligations once the contributions have been paid. The amount charged to the Consolidated 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.

2.12. Revenue

Revenue arises from the provision of cloud-based localisation and digital distribution services. To determine whether to recognise revenue, the Group follows a 5-step process as follows:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price, stated net of VAT and other sales related taxes.

Revenue is recognised over time as the Group satisfies performance obligations by transferring the promised services to its customers.

Costs are recognised when the liability transfers to ZOO, which is determined by work being completed.

A contract asset must be recognised if the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before – irrespective of when payment is due – the requirements for billing and thus the recognition of a receivable exist.

A contract liability must be recognised when the customer paid consideration or a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognised revenue.

2.12.1. Sales of services

Service revenue is recognised in accordance with the transfer of value to the customer and typically this is over one to four months. Where a project goes over a month end, projects completed but not invoiced are accrued. At year end projects that have not completed are assessed for the value to the customer of services transferred to date and a contract asset is recognised if appropriate.

The major consideration for ZOO is the timing of revenue recognition. The board believes that the length of projects is short and that the current method of recognising revenues is appropriate.

All customers are onboarded before any orders can be placed. This includes credit check, account information and agreement of a customer ratecard. Any customer wishing to place an order sends an email to ZOO production outlining the project requirements. ZOO production then evaluates the project and sends the customer a quote. The contract is confirmed either by email or a purchase order request.

The customer reviews the quote and signs off the project by issuing a purchase order or email confirming the contract. This clearly states the deliverables for the project. There may be multiple performance obligations in the contract, i.e. More than one service and more than one language. This allows us to identify the individual obligations within a contract and also where requested make separate deliveries of the localised assets. Performance obligations within each contract are separated to identify distinct elements to which transaction prices are allocated. Revenue is recognised over time because the entity’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Invoices for goods or services transferred are due within 45 days of receipt by the customer.

Having an agreed ratecard with all customers and either an email or purchase order confirming the individual projects gives certainty to the transaction price and the individual components of the contract. There are no variable components to ZOO contracts, nor financing or non-cash elements in transaction price.

Where a project is still ongoing at the end of an accounting period, the asset enhancement completed to date is estimated based on reports within ZOOcore and ZOOinvoicing which use the project status and the customer ratecard to determine revenue to date. As a result, ZOOcore provides a measurable and observable way to depict the stage of each contract in order to allow revenue to be allocated across accounting periods. The revenue stream forms the Media Production segment.

2.12.2. Software licence fees

Revenue arising from software licences is assessed on a contract by contract basis to identify the performance obligations included within the contract, and specifically whether the licence is considered to be a distinct performance obligation. Generally, the contracts include hosting, support, maintenance and other services which are not distinct from the licence. As the licence is not distinct, the contract is treated as a series of distinct goods and services that are all substantially the same and have the same pattern of transfer to the customer, with revenue being recognised over time pro-rata over the period of the contract, as the customer simultaneously receives and consumes the benefits of the service as ZOO performs it. All costs relating to complete or partially complete performance are expensed as incurred. This revenue stream forms the Software Solutions revenue stream.

2.13. Leases

2.13.1. The Group as a lessee

For any new contracts entered into the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

2.13.2. Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentive received).

The Group depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is removed to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to those are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings.

2.14. Deferred taxation

Deferred tax, including UK corporation tax and foreign tax, is provided in full using the Statement of Financial Position liability method. Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the consolidated and parent company Statement of Financial Position. Deferred tax assets and liabilities are not recognised if they arise in the following situations; the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end date.

The Group does not recognise deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries, joint ventures and associates as it is not considered probable that the temporary differences will reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

3. Accounting estimates and judgements

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

3.1. Critical accounting estimates and assumptions

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

Goodwill

Goodwill (detailed in note 17) is tested annually for impairment at the year-end date. The recoverable amounts of cash generating units have been estimated based on value in use calculations. Value in use calculations have been based on a pre-tax discount rate of 15.2% (2025: 26.8%). No impairment loss is incurred at this discount rate. No reasonable adjustment to the discount rate or other inputs would result in an impairment.

Intangible non-current assets

These are estimated on the basis of value in use, which is calculated from the present value of future cash flows expected to be derived from the asset under review. The key elements of estimation are the calculation of future cash flows. For intangible assets, future cash flows are forecast revenues from the associated cash-generating unit. Further estimation is made in determining an appropriate discount rate that reflects the specific risks associated with the asset or cash-generating unit. See note 17 for further details of assumptions made and sensitivity testing regarding intangible assets.

Joint Ventures/Associates

The Group reviews the carrying value of its investments in joint ventures whenever indicators of impairment exist and at each reporting date where appropriate.

Determining the recoverable amount requires judgement regarding the future cash flows expected to arise directly from each joint venture together with an assessment of any observable market evidence where available. In performing this assessment, management concluded that the expected future cash flows of its two joint ventures do not support the previous carrying amounts and accordingly an impairment has been recognised in each case.

In reaching this conclusion, management also considered the wider commercial benefits derived by the Group from its relationships with the joint ventures. These include supporting the Group's ability to secure larger international contracts and expanding the Group's service offering. However, as these benefits are realised principally through other Group operations rather than through cash flows attributable to the investments themselves, they do not form part of the recoverable amount of the investments for accounting purposes.

3.2. Critical judgements in applying the Group's accounting policies

3.2.1. Functional currency of the Company

The functional currency of the Company's largest subsidiaries is US dollars. Therefore, as the majority of transactions between the Company and these subsidiaries and the Company's revenue and receivables are denominated in US dollars, management have determined that the Company's functional and presentation currency is US dollars.

3.2.2. Identification of performance obligations

The determination of the number of distinct performance obligations in a contract requires judgement. There may be multiple performance obligations in the contract such as multiple services or languages. As such, there is judgement based on whether the customer can benefit from the use of the service on its own or together with other resources that are readily available, and also whether the promise to transfer the service is separately identifiable from other promises in the contract.

3.2.3. Allocation of the transaction price to performance obligations

Where a contract contains multiple performance obligations, the transaction price is required to be allocated to the different performance obligations. Wherever possible the transaction price is allocated on a stand-alone selling price basis, by reference to the agreed customer ratecard. In the event that this is not available, the price is allocated to the various performance obligations on a reasonable basis, with reference to other ratecards, the expected time involved in performing the service, and management's experience of similar projects. The allocation of such a price is done using the output method, reflecting that ZOO's delivery is to deliver services to enhance the customer's assets.

The major consideration for ZOO is the timing of revenue recognition. The Board believes that the length of projects is short and that the current method of recognising revenues is appropriate.

After providing all customers with a quote, they sign off the project by issuing a purchase order or email confirming the contract. This clearly states the deliverables for the project. There may be multiple performance obligations in the contract, i.e. More than one service and more than one language. This allows us to identify the individual obligations within a contract and also where requested make separate deliveries of the localised assets. Performance obligations within each contract are separated to identify distinct elements to which transaction prices are allocated. Revenue is recognised over time because the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Invoices for goods or services transferred are due within 45 days of receipt by the customer.

Having an agreed ratecard with all customers and either an email or purchase order confirming the individual projects gives certainty to the transaction price and the individual components of the contract. There are no variable components to ZOO contracts, not financing or non-cash elements in transaction price.

When a project is still ongoing at the end of an accounting period, the asset enhancement completed to date is estimated based on reports within ZOO core and ZOO invoicing which use the project status and the customer ratecard to determine revenue to date. As a result, ZOO core provides a measurable and observable way to depict the stage of each contract in order to allow revenue to be allocated across accounting periods.

The revenue stream forms the Media Production segment.

3.2.4. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted, in accordance with the requirements of IAS 12 'Income Taxes'.

Where the temporary differences related to unused tax losses, evidence considered to support the recognition of deferred tax assets include the existence of relevant taxable profits in the current and preceding periods and in the period after the reporting date and expectations of profits in the future. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.2.5. Intercompany non-current asset classification (parent company only)

The amounts owed by subsidiary undertakings as non-current assets because the Group is still in an investment phase and does not expect or require its subsidiaries to repay its debts to the Group in the next 12 months.

3.2.6. Recognition of revenue from multiple element contracts, and revenue recognition

Management uses judgement in determining the fair value of multiple element contracts in order to appropriately recognise the revenue attributable to each element, which may be based on contractual terms or (for bundled contracts) the standalone selling price that would be attributed to each service.

For revenues recognised over time, the value of revenue recognised in the period is dependent on an assessment of work to the reporting period end date. (see 2.12.1).

3.2.7. Capitalisation of development costs

The capitalisation of development expenditure is dependent on the costs meeting the recognition criteria in accordance with IAS 38 'Intangible Assets'. In assessing the criteria, management makes judgements on the level of future economic benefits of the asset flowing to the Company. Management is assisted in making these judgements through the monitoring both of sales forecasts and of the level of future cost benefits arising.

3.2.8. Recognition of separable intangibles

In previous years the Group has made a number of acquisitions which qualify as business combinations. However, the Group has not recognised any separable intangible assets for these business combinations on the basis of the ability of a market participant to generate cashflows from those intangible assets.

In particular, for the acquisition of Whatsub Pro Limited ("Korea"), the Group had a number of pre-existing relationships which carried value only to the Group and not to a market participant. It has therefore not separately recognised the intangibles of Korea so as to avoid recognising intangibles associated with the Group itself.

4. Segmental reporting

4.1. Operating segments

At 31 March 2026, the Group is organised on a worldwide basis into two main operating segments:

- Segment 1 – Media Production – being localisation and media services
- Segment 2 - Software solutions

These divisions are the basis on which the Group reports its segment information and manages the business. Although there is overlap and interconnectivity between the segments the dynamics and growth prospects differ from one another so it is appropriate that they are separately identified. The categories identified also depict how the nature, amount, timing and uncertainty of revenue and cashflows are affected by economic factors. The media production segment generates revenue which is reported as "Localisation" and "Media Services". Both types of revenue are interdependent and are generated by the same processes, people and assets, accordingly are considered to represent one segment.

The segment profit reported to the Group's Chief Operating Decision Maker ("CODM") is to a segment contribution level only, which is to the extent required for the purpose of resource allocation and assessment of segment performance. Thus, a further analysis is not provided nor arbitrarily allocated on the basis that the CODM does not use this information. Similarly, assets and liabilities of the Group are not reported to the CODM by segment.

The segment results are as follows:

	Media Production				Total	
	Localisation		Media services			
	2026	2025	**2026**	2025	**2026**	2025
	$000	$000	**$000**	$000	**$000**	$000
Total revenue	**28,101**	41,161	**23,179**	24,220	**51,280**	65,381

Inter-segment revenue	**(3,867)**	(10,900)	**(5,070)**	(4,911)	**(8,937)**	(15,811)
Revenue	**24,234**	30,261	**18,109**	19,309	**42,343**	49,570
Segment contribution**	**6,899**	9,220	**12,894**	13,096	**19,793**	22,316
Non-productive cost of sales*					**(2,165)**	(4,295)
Gross profit					**17,628**	18,021
Unallocated corporate administrative expenses					**(19,238)**	(24,499)
Operating loss					**(1,610)**	(6,478)
Finance income					**25**	43
Finance cost					**(484)**	(402)
Profit share of loss of associates and JVs					**(1,591)**	(1,505)
Disposal of Investment and ROU asset					**(184)**	-
Loss before taxation					**(3,844)**	(8,342)
Tax credit/(charge)on loss					**157**	362
Loss for the year					**(3,687)**	(7,980)

* Non-productive cost of sales represents the time-cost of staff not working on customer contracts; examples include (but are not limited to) holiday, sickness, training, and excess capacity downtime. These are not absorbed into the main segments so as to better present the underlying profit margins directly contributed by customer contracts.

** Segment contribution refers to the portion of the Group's total gross profit that is generated by a specific segment of the business.

Assets and liabilities are not reported to the chief operating decision maker by segment. Accordingly, no disclosure is provided in these financial statements on the grounds that the chief operating decision maker does not utilise this information in reviewing the performance of the Group.

4.2. Geographical areas

The Group's operating divisions operate in several principal geographical areas of the world. All European operations are run from the UK office. The analysis below presents revenues and assets as split by location of the operating division delivering the relevant business activities:

	Revenue		**Total assets**		**Non-current assets**	
	2026	2025	**2026**	2025	**2026**	2025
	$000	$000	**$000**	$000	**$000**	$000
United Kingdom (domicile)	**10,040**	16,843	**15,968**	22,861	**13,709**	18,018
India	**1,582**	1,641	**2,313**	4,496	**923**	1,565
Korea	**193**	170	**544**	943	**166**	361
Germany	**-**	-	**109**	256	**45**	50
Italy	**140**	48	**697**	989	**498**	556
US	**30,388**	30,868	**12,227**	13,768	**2,236**	3,984
	42,343	49,570	**31,858**	43,313	**17,577**	24,534

At 31 March 2026, contract assets amounted to $2.3 million (2025: $2.2 million) and contract liabilities amounted to $0.3 million (2025: $0.6 million). Revenue for the year ended 31 March 2026 includes

$0.6 million (2025: $0.3 million) included in the contract liability balance at the beginning of the period. Further information on the values of contract assets and liabilities is provided in note 26.

The Group has taken advantage of the practical expedient permitted by IFRS 15, and has therefore not disclosed the amount of the transaction price allocated to unsatisfied performance obligations or when it expects to recognise that revenue, as contracts have an expected duration of less than one year.

5. Revenue

All revenue is derived from continuing operations.

The Group's revenue comprises:

	2026	2025
	$000	$000
Service revenue (recognised over time)	**41,241**	48,542
Licence revenue (recognised over time)	**1,102**	1,028
	42,343	49,570

The Group's revenue disaggregated by customer location (as invoiced to) is as follows:

	For the year ended 31 March 2026		
	Service	Licensing	**Total**
	$'000	$'000	**$'000**
United Kingdom	8,719	22	**8,741**
USA	29,241	1,080	**30,321**
Europe	837	-	**837**
India	1,582	-	**1,582**
Other countries	862	-	**862**
	41,241	1,102	**42,343**

	For the year ended 31 March 2025		
	Service	Licensing	Total
	$'000	$'000	$'000
United Kingdom	15,414	34	15,448
USA	30,514	994	31,508
Europe	251	-	251
Singapore	1,641	-	1,641
Other countries	722	-	722
	48,542	1,028	49,570

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	For the year ended 31 March 2026		
	Service	Licensing	**Total**
	$'000	$'000	**$'000**
Services transferred over time	41,241	1,102	**42,343**

	For the year ended 31 March 2025		
	Service	Licensing	Total
	$'000	$'000	$'000
Services transferred over time	48,542	1,028	49,570

5.1. Major clients

The Group has two major customers contributing 45% and 14% (2025: 61% and 7%) of the Group's revenue respectively. The debtor receivable balance as at 31 March 2026 for the two largest clients was $2.3 million (2025: $5.3 million). The revenues are as follows:

	2026	2025
	$000	$000
Largest two clients	**24,776**	33,902
Other clients	**17,567**	15,668
	42,343	49,570

6. Other income

	2026	2025
	$'000	$'000
Rents received	**120**	-
Other income	**120**	-

7. Finance income and costs

	2026	2025
Finance income	**$'000**	$'000
Interest received	**25**	43
Finance costs		
Interest on borrowings	**140**	11
Interest on lease liabilities	**328**	411
	468	422
Exchange loss on borrowings	**16**	(20)
Finance costs	**484**	402

8. Operating loss

Group operating loss for the year is stated after charging/ (crediting) the following:

	2026	2025
	$000	$000
Other exchange losses	**284**	66
Staff costs (indirect)	**8,371**	9,701
Capitalised staff costs	**(1,656)**	(1,519)
Share based payment	**-**	-
Depreciation	**3,335**	5,197
Amortisation of other intangible assets	**2,268**	2,390
Research and non-capitalised development costs	**413**	528
Non-property short-term lease payments not recognised as a liability	**9**	11
Auditor's remuneration	**226**	200

9. Auditor's remuneration

	2026	2025
	$000	$000
Fees payable to the Company's auditor for the audit of the Company's financial statements	**193**	174
For audit services:		
Fees payable to the Company's auditor and its associates for other services:		
The audit of subsidiary financial statements	**33**	26
	226	200

10. Employees including Directors

The average number of employees (including executive directors) was:

		Group		Company
	2026	2025	**2026**	2025
	No.	No.	**No.**	No.
Product design and service delivery	**343**	426	**82**	106
Sales and marketing	**3**	4	**2**	2
Administration	**47**	46	**12**	15
	393	476	**96**	123

Their aggregate remuneration comprised:

	Group		Company	
	2026	2025	**2026**	2025
	$'000	$000	**$'000**	$000
Wages and salaries	**18,341**	23,854	**1,562**	1,851
Social security costs	**1,333**	1,458	**210**	173
Other pension costs	**313**	391	**60**	78

Share based payments	**-**	-	**-**	-
	19,987	25,703	**1,832**	2,102

The Group pension arrangements are operated through a defined contribution scheme.

Compensation of key management personnel (including Directors)

	Group	
	2026	2025
	$000	$'000
Short-term employee benefits	**1,525**	1,479
Contributions to defined benefit scheme pensions	**12**	10
Share based payments	**-**	-
	1,537	1,489

This includes all Directors listed on pages 23 to 25 and senior management.

Directors' remuneration for the year to 31 March 2026 is:

					2026	2025
	Salary	**Bonus**	**Benefits**	**Pension**	**Total**	Total
	$000	**$000**	**$000**	**$000**	**$000**	$000
Dr Stuart A Green	**285**	**-**	**-**	**9**	**294**	317
Robert Pursell	**193**	**-**	**-**	**1**	**194**	-
Gordon Doran	**413**	**-**	**35**	**-**	**448**	446
Phillip Blundell	**120**	**-**	**-**	**-**	**120**	257
Mickey Kalifa	**52**	**-**	**-**	**1**	**53**	51
Gillian Wilmot	**94**	**-**	**-**	**-**	**94**	86
Nathalie Schwartz	**52**	**-**	**-**	**1**	**53**	51
	1,209	**-**	**35**	**12**	**1,256**	1,208

Four Directors (2024: three) serving during the year have been members of money purchase pension schemes into which the Company contributes.

The highest paid Director received emoluments and benefits as follows:	**2026**	2025
	$000	$000
Emoluments and benefits	**448**	446

11. Alternative Performance Measures

The Directors have used a number of Alternative Performance Measures ("APM") in the preparation of these financial statements. The Consolidated Statement of Comprehensive Income has presented 'Earnings before Interest, Tax, Depreciation and Amortisation' before share-based payments ("Adjusted EBITDA"), which removes the non-cash aspect of employee remuneration which is, in the opinion of the Directors, not relevant to the underlying performance and cash generation of the business.

The Directors have presented this APM because they feel it most suitably represents the underlying performance of the business, and allows comparability between the current and comparative period in light of the changes in the business, and will allow an ongoing trend analysis of this performance based on plans for the business.

The Consolidated Statement of Comprehensive Income provides a reconciliation of EBITDA before share-based payments to operating profit, which is presented within the boxed section. This reconciliation is relevant throughout this annual report when "EBITDA before share-based payments" or "adjusted EBITDA" is stated.

The directors have also used another measure of EBITDA referred to as "Cash EBITDA". This measure takes the Adjusted EBITDA adds back capitalised staff costs and the capitalised lease costs to most suitably represent the ability of the business to generate cash, before any working capital movements. This has the effect of including all staff and property costs in EBITDA. The reconciliation of Cash EBITDA to Adjusted EBITDA is set out below:

	2026	2025
	$000	$000
Adjusted EBITDA	$3,993	1,109
Capitalised Staff Costs	(1,656)	(1,519)
Capital Lease Payments	(1,562)	(1,585)
Interest Lease Payments	(328)	(411)
Cash EBITDA	**447**	**(2,406)**

12. Income tax

	2026	2025
	$000	$000
Current tax:		
UK corporation tax		
Research and development tax credit	**-**	(215)
Foreign tax	**30**	(162)
Total current tax	**30**	(377)
Total deferred tax – Origination and reversal of timing differences	**(187)**	15
Tax (credited)/charged	**(157)**	(362)

Corporation tax is calculated at 25% (2025: 25%) of the estimated assessable profit for the year.

Tax charge for the year

The tax charge for the year can be reconciled to the loss for the year as follows:

	2026	2025
	$000	$000
Loss before tax	**(3,844)**	(8,341)
Tax calculated at standard rate of corporation tax of 25% (2024: 25%)	**(961)**	(2,085)
Disallowable items	**53**	365
Impairment expense for joint ventures and associates	**385**	398
Research and development tax credit *(see below)*	**-**	(215)
Permanently disallowed depreciation	**(87)**	116
Other movements	**(63)**	(57)
Derecognition of tax losses no longer considered recoverable	**-**	-

Effect of change in unrecognised tax losses	**516**	1,116
Recognition of deferred tax losses	**-**	-
Tax credited	**(157)**	(362)

Companies within the Group are entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure under the Research and Development Tax Incentive regime. The Group accounts for these allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. The tax credits are recognised in the Statement of Comprehensive Income when received.

The UK corporation tax rate was 25% throughout the year.

Tax losses carried forward

The Group has tax losses carried forward of approximately $53.7 million (2025: $50.9 million), of which $0.5 million (2025: $0.5 million) has been recognised at a rate of 25% (UK) and 30% (US) as a deferred tax asset for the year. The balance of tax losses remain unrecognised at the balance sheet date due to the uncertainty in the timing of future profits. Further analysis is provided in note 19.

13. Dividends

There were no dividends paid or proposed.

14. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated by dividing the profit attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding plus the weighted average number of shares that would be issued on conversion of all the dilutive share options into ordinary shares.

	Basic and Diluted	
	2026	2025
	$000	$000
Loss for the financial year	**(3,687)**	(7,979)

	2026	2025
Weighted average number of shares for basic & diluted profit per share	**Number of shares**	Number of shares
Basic	**98,318,228**	97,976,898
Effect of dilutive potential ordinary shares:		
Share options	**-**	-
Diluted	**98,318,228**	97,976,898

	2026	2025
	Cents	Cents
Basic	**(3.80)**	(8.20)
Diluted	**(3.80)**	(8.20)

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options. In the event that a loss is recorded for the year, share options are not considered to have a dilutive effect.

15. Property, plant and equipment

Group	Production equipment	Right-of-use-assets	Leasehold property improvement	Computer hardware	Office equipment, fixtures & fittings	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Cost						
Opening cost at 1 April 2024	924	8,168	4,029	9,893	464	23,478
Reclassification	-	-	(29)	-	29	-
Additions	396	495	93	172	70	1,226
Disposals	-	(100)	-	-	-	(100)
Opening cost at 1 April 2025	1,320	8,563	4,093	10,065	563	24,604
Reclassification	-	-	(403)	(140)	519	(24)
Additions	6	325	37	82	7	457
Disposals	-	(1,606)	(1,685)	(3)	-	(3,294)
Exchange differences	24	9	2	(32)	(41)	(38)
Closing cost at 31 March 2026	**1,350**	**7,291**	**2,044**	**9,972**	**1,048**	**21,705**
Accumulated depreciation						
Opening balance at 1 April 2024	695	3,580	1,557	6,208	249	12,289
Reclassification	-	-	(10)	-	10	-
Depreciation	223	1,442	798	2,632	102	5,197
Eliminated on disposal	-	(100)	-	-	-	(100)
Opening balance at 1 April 2025	918	4,922	2,345	8,840	361	17,386
Reclassification	-	-	(36)	(144)	180	-
Depreciation	115	1,394	659	944	223	3,335
Eliminated on disposal	-	(1,606)	(1,416)	(3)	-	(3,025)
Exchange differences	2	21	-	(23)	5	5
Closing balance at 31 March 2026	**1,035**	**4,731**	**1,552**	**9,614**	**769**	**17,701**
Opening carrying value at 1 April 2025	402	3,641	1,748	1,225	202	7,218
Closing carrying value at 31 March 2026	**315**	**2,560**	**492**	**358**	**279**	**4,004**

The Group has leases for offices in Sheffield, London, California, Chennai and Mumbai. Each lease is reflected on the balance sheet as a right-of-use-asset and a lease liability.

Company	Leasehold improvements	Right-of-use-assets	Computer & Production hardware	Office equipment, fixtures & fittings	Total
	$000	$000	$000	$000	$000
Cost					
Opening cost at 1 April 2025	1,922	808	2,009	118	4,857
Additions	13	76	2	7	98
Disposals	(1,685)	(807)	-	-	(2,492)
Closing cost at 31 March 2026	**250**	**77**	**2,011**	**125**	**2,463**
Accumulated depreciation					
Opening balance at 1 April 2025	1,236	808	1,742	111	3,897
Depreciation	375	28	217	6	626
On Disposal	(1,416)	(807)	-	-	(2,223)
Closing balance at 31 March 2026	**195**	**29**	**1,959**	**117**	**2,300**
Opening carrying value at 1 April 2025	686	-	267	7	960
Closing carrying value at 31 March 2026	**55**	**48**	**52**	**8**	**163**

16. Leases

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Current	**1,523**	1,473	**24**	102
Non-current	**1,586**	2,948	**-**	61
	3,109	4,421	**24**	163

The Group has leases for offices in Sheffield, London, California, Chennai and Mumbai. Each lease is reflected on the balance sheet as a right-of-use-asset and a lease liability. The Group classifies its right-of-use-assets in a consistent manner to its property, plant and equipment (see Note 15).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use-asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet:

Right-of-use-asset	No of right-of-use assets	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Office building	10	0.1-4.75 years	2.04 years	-	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at 31 March 2026 were as follows:

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 March 2026							
Lease payments	1,724	1,485	137	46	-	-	**3,392**
Finance charges	(201)	(73)	(8)	(1)	-	-	**(283)**
Net present values	1,523	1,412	129	45	-	-	**3,109**
31 March 2025							
Lease payments	1,768	1,645	1,382	125	44	-	**4,964**
Finance charges	(294)	(177)	(63)	(8)	(1)	-	**(543)**
Net present values	1,474	1,468	1,319	117	43	-	**4,421**

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability amounted to $9,000 for leases of low value assets. (2025: $11,000).

At 31 March 2026 the total commitment was $17,000 (2025: $18,000). This excludes any amounts for the Sheffield office, which are on a rolling 30 day notice period at the year end.

Total cash outflow for leases for the year ended 31 March 2026 was $1.6 million (2025 $1.6 million).

Group

Tangible assets for the Group includes the following amounts where the Company is a lessee:

At 31 March 2026	Leasehold improvements	Total
	$000	$000

Cost - capitalised leases	7,291	7,291
Accumulated depreciation	(4,731)	(4,731)
Net book value	**2,560**	**2,560**

At 31 March 2025	**Leasehold improvements**	**Total**
	$000	**$000**
Cost - capitalised leases	8,563	8,563
Accumulated depreciation	(4,922)	(4,922)
Net book value	**3,641**	**3,641**

Company

At 31 March 2026	**Leasehold improvements**	**Total**
	$000	**$000**
Cost - capitalised leases additions	77	77
Accumulated depreciation	(29)	(29)
Net book value	**48**	**48**

17. Intangible assets

Group	**Goodwill**	**Customer relationships**	**Development costs**	**Patents and trademarks**	**Computer software**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Cost						
Opening cost at 1 April 2024	22,476	1,424	20,135	842	271	45,148
Additions	30	-	1,519	2	5	1,556
Exchange differences	4	-	-	-	-	4
Opening cost at 1 April 2025	22,510	1,424	21,654	844	276	46,708
Reclassification	(120)	-	-	-	24	(96)
Additions	-	-	1,656	1	-	1,657
Exchange differences	-	-	-	-	4	4
Closing cost at 31 March 2026	**22,390**	**1,424**	**23,310**	**845**	**304**	**48,273**
Accumulated amortisation and impairments						
Opening balance at 1 April 2024	12,620	284	16,229	658	242	30,033
Amortisation	-	142	2,200	36	12	2,390

Disposals	-	-	-	-	-	-
Opening balance at 1 April 2025	12,620	426	18,429	694	254	32,423
Amortisation	-	142	2,086	27	13	2,268
Exchange differences	-	-	-	-	9	9
Closing balance at 31 March 2026	**12,620**	**568**	**20,515**	**721**	**276**	**34,700**
Opening carrying value at 1 April 2025	9,890	998	3,225	150	22	14,285
Closing carrying value at 31 March 2026	**9,770**	**856**	**2,795**	**124**	**28**	**13,573**

Development costs are internally generated software development costs. The major projects include ZOO Studio, ZOO Screen, ZOO Subs and ZOO Dubs. Management is confident that the projects will deliver sufficient profit in future years and therefore require no impairment. All other intangible assets are acquired externally.

The remaining life of the majority of development costs is 5 years.

Company	**Goodwill**	**Computer software**	**Total**
	$000	**$000**	**$000**
Cost			
Opening cost at 1 April 2025	-	17	17
Additions	-	-	-
Disposals (1)	-	-	-
Closing cost at 31 March 2026	**-**	**17**	**17**
Accumulated amortisation/ impairment			
Opening balance at 1 April 2025	-	15	15
Amortisation	-	2	2
Eliminated on disposal (1)	-	-	-
Closing balance at 31 March 2026	**-**	**17**	**17**
Opening carrying value at 1 April 2025	-	2	2
Closing carrying value at 31 March 2026	**-**	**-**	**-**

Impairment tests for cash-generating units

Goodwill attracts to cash-generating units ("CGU's"); these CGU's are subject to annual impairment testing, or more frequently if there are indications that the CGU's might be impaired. In FY26 the Software Services CGU has been consolidated into the Media Production CGU. Software Services are legacy services of decreasing value where the underlying assets are primarily used by the Media Production CGU. The majority of revenues previously associated with the Software Services CGU were generated from intra group charges, and therefore could not be considered largely independent.

During the current and comparative year the Group has incurred operating losses, which could call into question the recoverable value of its non-monetary assets. Further, at the year end the Group's market capitalisation was approximately $16.5 million, which is lower than the Group's net asset value of $17.8 million at the same date, representing an indicator of impairment under IAS 36.12(d).

The recoverable amount of a CGU has been determined based on its value in use. In calculating the value in use the Group used a discount rate of 15.2% (2025: 18.1%) for the single Media Production CGU. The discount rate has been calculated using the Capital Asset Pricing Model with the following inputs

Risk Free Rate (UK 10yr Gilt)	4.88%
Beta (published)	1.11
Market Risk Premium	3.59%
Specific Risk Premium (Small Company)	6.34%

The Group estimates the recoverable amount of the Media Production CGU by using a value in use model by projecting pre tax cash flows for the next 5 years including a terminal value after the fifth year. The assumptions in this model are the forecast revenue and EBITDA. The forecast revenues are based on management's view of the media market, discussions with customers, expected of levels of business given current relationships, and the potential for additional revenues given the change in the market to a more technology based service for Media Production services to support accelerated delivery timelines. This along with the recently announced RFP successes mean the Board believes a CAGR of 10% is an appropriate assumption for revenue growth. Gross margins are expected to stay in line with FY26 levels and operating costs have been increased to support the increase in activity. The terminal value was calculated based on an in perpetuity growth rate of 2%.

If the maximum discount rate seen in the basket of AIM technology companies of 17% was used in the value in use calculation no impairment would be due.

A number of reverse stress tests were performed and the following scenarios would result in an impairment:

- Cash flow projections for FY28 onwards to be reduced by 50%.
- A discount factor of 24% to be applied to the current forecast.
- A terminal growth rate of -26%.

Based on the above, the Directors are confident that no impairment of goodwill or other non-monetary assets is required in the Group and Company at 31 March 2026, in respect of the trading assets of the Group.

18. Investments

Parent company – shares in Group undertakings

Cost	**$000**
At 1 April 2025	**20,204**
Additions	-
At 31 March 2026	**20,204**
Amounts written off	
At 1 April 2025	**(12,138)**
Impairment expense	-
At 31 March 2026	**(12,138)**
Carrying amount	
At 31 March 2026	**8,066**
At 31 March 2025	**8,066**

Investments in joint ventures and associates

Group

	2026	2025

	Joint ventures	**Associates**	**Total**	**Joint ventures**	**Associates**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
At 1 April	1,591	-	1,591	1,596	1,501	3,097
Additions	-	-	-	-	-	-
Transfer to subsidiary	-	-	-	-	-	-
Impairment	(1,542)	-	(1,542)	-	(1,457)	(1,457)
Share of loss for the year	(49)	-	(49)	(5)	(44)	(49)
At 31 March	-	-	-	1,591	-	1,591

Included within the Income Statement are the following:

	2026	2025
	$000	$000
Share of losses for the year	**(49)**	(48)
Impairment of JV's	**(1,542)**	(1,457)
Total charged to the Income Statement	**(1,591)**	(1,505)

Company

	2026			**2025**		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
	$000	$000	$000	$000	$000	$000
At 1 April	1,591	-	1,591	1,596	1,476	3,072
Additions	-	-	-	-	-	-
Impairment	(1,542)	-	(1,542)	-	(1,432)	(1,432)
Share of loss for the year	(49)	-	(49)	(5)	(44)	(49)
On Korea acquisition	-	-	-	-	-	-
At 31 March	-	-	-	1,591	-	1,591

On 20 October 2021, the Company invested £200,000 ($318,000) for new shares in Studyo Ares Filmcilik ve Yapimcilik Ticaret A.S (“Ares Media”), a company incorporated in Turkey, which resulted in the Company obtaining a 20% equity stake in that Company. The voting rights attaching to the stake will result in the investment being classified as a joint venture for accounting purposes.

On 4 October 2023, the Company invested £275,000 ($335,000) for new shares in Studyo Ares Filmcilik ve Yapimcilik Ticaret A.S (“Ares Media”), a company incorporated in Turkey, which resulted in the Company obtaining a further 20% equity stake in that Company.

On 3 May 2023, the Company invested €825,000 ($906,000) for new shares in AM Escudero Estudios Audiovisuales SL and in Escuela de Voz AM SL, which resulted in the Company obtaining a 30% equity stake in the two companies. The voting rights attaching to the stake will result in the investment being classified as a joint venture for accounting purposes.

Name	**Address of registered office**	**Class of share held**	**Proportion of ordinary share capital held**

Ares Media	Kireçburnu Mah. Arabayolu Cad. No: 136 Sarıyer, Istanbul	Ordinary Shares	40%
AM Escudero	Calle Gran Via 57. 28013, Madrid, Spain.	Ordinary Shares	30%

During the year the Group recognised an impairment charge of $1.5 million against its investments in Ares Media and AM Escudero.

The impairment arose following management's assessment of the recoverable amount of each investment. The assessment concluded that the forecast future cash flows expected to be generated directly by each joint venture were insufficient to support the carrying value. No observable market transactions or comparable market valuations were available to provide an alternative basis of valuation.

Although the investments continue to provide significant strategic benefits to the Group, including supporting the Group's participation in larger international customer engagements and strengthening its market offering, these wider commercial benefits are not reflected within the recoverable amount of the investments under the applicable accounting framework.

The Board therefore concluded that recognition of the impairment was appropriate notwithstanding the continuing strategic importance of the joint ventures. The recoverable amount reflects only the cash flows expected to arise from the assets themselves. Wider synergies and strategic benefits arising elsewhere within the Group are not included unless they are reflected in the recoverable amount in accordance with IAS 36.

The accounting date for Ares Media and AM Escudero is 31 December.

The investments are not considered material in the context of the Group as the consideration of any of the three investments represents less than 5% of Group sales.

19. Deferred income tax

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Deferred tax assets comprise:				
ZOO Digital India Private Limited	**223**	47	**-**	-
Vista Tanweer	**-**	36	**-**	-
Business combinations	**(249)**	(249)	**-**	-
Unused tax losses	**487**	487	**-**	-
Lease liabilities	**-**	-		
Right-of-use assets	**-**	-		
As at 31 March	**461**	321	**-**	-

Analysed as:

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Deferred tax assets	**710**	570	**-**	-
Deferred tax liabilities (offset)	**(249)**	(249)	**-**	-
Total deferred tax asset recognised	**461**	321	**-**	-

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
At 31 March	**321**	336	**-**	**-**
Charged to the statement of comprehensive income	**140**	(15)	**-**	**-**
At 31 March	**461**	321	**-**	-

Tax losses carried forward

The Group has tax losses carried forward of approximately $53.7 million (2025: $50.1 million), of which $0.5 million (2025: $0.5 million) has been recognised at a rate of 25% (UK) and 30% (US) as a deferred tax asset for the year. The balance of tax losses remains unrecognised at the balance sheet date due to the uncertainty of the ability to offset against future profits. Any deferred tax assets on share based payments will not be recognised due to the uncertainly of the ability to offset future profits.

20. Trade and other receivables

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Trade receivables	**5,923**	10,401	**-**	-
Less: allowance for impairment of trade receivables	**-**	(191)	**-**	-
Trade receivables - net	**5,923**	10,210	**-**	-
Amounts owed by subsidiary undertakings	**-**	-	**64,820**	59,440
Less: Intercompany ECL provision			**(16,615)**	-
			48,205	59,440
VAT	**-**	-	**30**	30
Other debtors	**708**	714	**59**	75
Prepayments	**1,325**	1,959	**488**	336
	7,956	12,883	**48,782**	59,881
Less non-current portion: amounts owed by subsidiary undertakings	**-**	-	**(48,071)**	(59,370)
Current portion	**7,956**	12,883	**711**	511

The fair values of trade and other receivables equal their carrying amounts.

The amounts owed by subsidiary undertakings are shown in as non-current assets because the Group is still in an investment phase and does not expect or require its subsidiaries to repay its debts to the Group in the next 12 months.

The Company measures credit risk and expected credit losses (ECL) on intercompany loans. The allowance for expected credit losses is established based on 12 month ECLs.

The Company movements in the allowance for impairment of intercompany balances during the year were as follows:

Company only

	Company	
	2026	2025
Allowance for intercompany ECL	**$000**	$000

At 1 April	**-**	-
Increase in loss allowance recognised in statement of comprehensive income	**16,615**	-
At 31 March	**16,615**	-

As of 31 March 2026, trade receivables of $858,000 (2025: $1,948,000) were overdue. The ageing analysis of these trade receivables is as follows:

	Group	
	2026	2025
	$000	$000
Less than 3 months	**488**	1,538
3 to 6 months	**341**	73
7 to 12 months	**7**	145
Over 12 months	**22**	192
	858	1,948

The above disclosure has been updated to remove the overdue credit balances detailed in the prior year.

There were no trade receivables outstanding in the Company at 31 March 2026 that were overdue (31 March 2025: nil).

All of the Group's trade and other receivables have been reviewed for indicators of impairment. A trade receivables impairment provision of $191,000 was made in the accounts to 31 March 2024, which has been written off in FY26. (2025: $191,000).

Expected credit loss as a % of gross receivables.

Group	**Current**	**1-3 months**	**3-6 months**	**Over 6 months**
Expected credit loss %	0.1%	0.2%	0.5%	1%
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	3,762	1,630	337	193
Expected credit loss	4	3	2	2

The expected credit loss based on the above is not material and has therefore no provision has been made.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Pound sterling	**802**	718	**487**	329
US Dollar	**6,770**	8,954	**64,850**	59,502
Hong Kong dollar	**-**	-	**-**	-
Japanese Yen	**-**	-	**-**	-
UAE dirham	**60**	50	**60**	50
Indian rupee	**-**	1,885	**-**	-
South Korean won	**208**	306		

Euro	**116**	970	**-**	-
	7,956	12,883	**65,397**	59,881

Allowance for impairment of trade receivables:

	Group	
	2026	2025
	$000	$000
At 1 April	**191**	191
Allowance for receivables impairment	**-**	-
Receivables written off in the year as uncollectable	**(191)**	-
At 31 March	**-**	191

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, other debtors and cash and cash equivalents. The Group does not hold any collateral as security.

The Directors believe that a reasonable provision has been made for outstanding amounts, or values impaired and expected credit losses and, when taking into consideration the historic rate of impairment, the remaining un-provided amounts are considered to be recoverable.

The amounts owed by the subsidiary undertakings to the parent company have no payment terms and bear no interest, but they are considered to be recoverable in the future.

21. Notes to the cash flow statement

21.1. Significant non-cash transactions

During the year the Group acquired property, plant and equipment and computer software with a cost of $457,000 (2025: $1,226,000) of which $325,000 (2024: $495,000) was acquired by means of a lease.

21.2. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following consolidated and parent company statement of financial position amounts.

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Cash on hand and balances with banks	**3,574**	2,714	**12**	21

All cash balances are readily available with withdrawal in less than 90 days.

22. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings	**Short-term borrowings**	**Lease liability**	**Total**
	$000	**$000**	**$000**	**$000**
1 April 2025	237	-	4,421	4,658
Cash-flows				
- Repayment	(65)	-	(1,562)	(1,627)

- Proceeds	-	1,371	-	1,371
Non-cash				
- Additions	-	-	250	250
- Foreign exchange differences	-	-	-	-
31 March 2026	**172**	**1,371**	**3,109**	**4,652**

The inception of new leases in the year with value $325,000 represents a major non-cash transaction.

	Long-term borrowings	**Lease liability**	Total
	$000	**$'000**	$000
1 April 2024	243	5,505	5,748
Cash-flows			
- Repayment	-	(1,580)	(1,580)
Non-cash			
- Disposals	-	-	-
- Additions	-	495	495
- Business combinations	-	-	-
- Foreign exchange differences	(6)	1	(5)
31 March 2025	**237**	**4,421**	**4,658**

23. Share capital and reserves for Group and Company

Called up share capital

	2026	2025
	$000	$000
Allotted, called-up and fully paid		
98,318,228 (2025: 98,318,228) ordinary shares of 1p each	**1,290**	1,290

Reconciliation of the number of ordinary shares outstanding:		
Opening balance	**98,318,228**	97,856,924
Shares issued under UK share save scheme at a price of 41p	**-**	31,304
Korea Acquisition	**-**	-
Fundraise	**-**	-
Share options exercised at a price of 15p	**-**	430,000
Closing balance	**98,318,228**	98,318,228

Reserves

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	**Description and purpose**
Share premium reserve	Represents the amount subscribed for share capital in excess of the nominal value.

Foreign exchange translation reserve	Cumulative exchange differences resulting from the Group changing reporting currency from pounds sterling to USD.
Share option reserve	Cumulative cost of share options issued to employees.
Capital redemption reserve	Represents 32,660,660 deferred shares of 14p each created during the share reorganisation on 4 May 2017.
Interest in own shares	This arises from ZEST and concerns historical transactions as part of the Group's employee benefit trust.
Merger reserve	As part of acquisitions the Group has issued share capital as part of its consideration. As set out in s612 Companies Act 2006, merger relief has been applied and the excess above the nominal value of share capital has been recognised in the merger reserve.
Other reserves	Created as part of the reverse takeover between Kazoo3D plc and ZOO Media Corporation Ltd in 2001.
Accumulated losses	Cumulative net losses recognised in profit or loss.

24. Borrowings

	Group		Company	
	2026	2025	**2026**	2025
	$000	$000	**$000**	$000
Non-current				
Other Loans (Gov. loan to ZOO Korea)	**172**	237	**-**	-
Lease liabilities	**1,586**	2,948	**-**	61
	1,758	3,185	**-**	61
Current				
Amounts owed to subsidiary undertakings	**-**	-	**9,701**	9,701
Other bank borrowings	**1,371**	-	**-**	-
Lease liabilities	**1,523**	1,473	**24**	102
Borrowings	**2,894**	1,473	**9,725**	9,803
Total borrowings	**4,652**	4,658	**9,725**	9,864

The Group has renewed on 31 March 2026 with HSBC Bank US an invoice financing facility of up to $5.0 million against US client invoices raised by ZOO Digital Production LLC. The facility is in place until the renewal date of 31 March 2027.

The UK banking partner, HSBC, continues to provide an overdraft facility of £250,000. The principal outstanding at 31 March 2026 was nil (2025: nil). This line of funding has been secured as a floating charge over the assets of the UK companies and automatically renews on an annual basis.

In October 2025 the Group was approved for an invoice financing facility of up to $2.0 million against UK client invoices raised by ZOO Digital Limited. The facility is in place until the renewal date of 30 September 2026.

Lease liabilities

Lease liabilities are payable as follows:

At 31 March 2026 Group only	Future minimum lease payments	Interest	Present value of minimum lease payments
	$000	$000	$000
Less than one year	1,723	(200)	1,523
Between one and five years	1,668	(82)	1,586
	3,391	(282)	3,109

The lease periods range from between 1 and 10 years, with options to purchase the asset at the end of the term if applicable. Lease liabilities are secured against the leased assets.

25. Trade and other payables

	Group		Company	
	2026	2025	**2026**	2025
Current	**$000**	$000	**$000**	$000
Trade creditors	**5,905**	10,354	**697**	861
Amounts owed to subsidiary undertaking	**-**	-	**29,645**	22,923
Social security and other taxes	**610**	550	**223**	237
Deferred consideration	-	300	-	300
Accrued expenses	**4,589**	4,956	**799**	1,040
	11,104	16,160	**31,364**	25,361

The fair values of trade and other payables equal their carrying amounts.

The amounts owed to subsidiary undertakings are shown in current liabilities because there are no fixed repayment terms, and the liabilities do not bear interest. The Company does not therefore have an unconditional right to avoid repayment of these liabilities on demand by its subsidiaries.

There are no long-term liabilities.

26. Contracts with customers

The Group and Company have recognised the following assets and liabilities relating to contracts with customers:

	Group	
	2026	2025
	$000	$000
Current contract assets	**2,290**	2,244
Current contract liabilities	**(289)**	(618)

	Group
	$000
Contract liabilities as at 1 April 2025	618
New contract liabilities	767
Revenue recognised in the year:	

That was included in the contract liability balance as at 31 March 2025	(618)
Relating to new contract liabilities in the year	(478)
Contract liabilities as at 31 March 2026	**289**

Of the existing contracts that were unsatisfied or partially unsatisfied at 31 March 2026, revenue is expected to be recognised in the financial year to 31 March 2027.

27. Commitments for Group and Company

Capital commitments

The Group had no capital commitments at 31 March 2026.

Operating commitments

For FY25 & FY26 the Group has applied IFRS 16 to operating leases. Other than the lease liabilities included in the Statement of Financial Position, the Group (and Company) has no operating lease commitments.

28. Related parties

Subsidiaries

The parent company has investments in the following subsidiary undertakings:

Subsidiary undertakings	Country of incorporation	Registered Office	Principal activity	Holding	%
ZOO Digital Limited	UK	2nd Floor, Castle House, Angel Street Sheffield S3 8LN	Technology development	2 ordinary shares	100
ZOO Digital Inc.	USA	2201 Park Place, El Segundo, CA 90245, USA	Sale & distribution technology products	10,000 shares of common stock	100
ZOO Digital Production LLC	USA	2201 Park Place, El Segundo, CA 90245, USA	Media production	100 shares of common stock	100*
ZOO Employee Share Trust Limited	UK	2nd Floor, Castle House, Angel Street Sheffield S3 8LN	Employee share scheme	2 ordinary shares	100
ZOO Digital Production Limited	UK	2nd Floor, Castle House, Angel Street Sheffield S3 8LN	Dormant	100 ordinary shares	100
ZOOtech Limited	UK	2nd Floor, Castle House, Angel Street Sheffield S3 8LN	Dormant	95,714 ordinary shares	100
ZOO Digital India Private Limited	India	5th Floor, Front wing, Modi House, C10 Dalia Estate, Mumbai	Media production	1333 ordinary shares	100
ZOO Korea Co. Ltd	S. Korea	Room 309 424, Yangcheon-ro Gangseo-gu Seoul	Media production	10,204 ordinary shares	100
ZOO Digital Italy SRL	Italy	Milano (MI) Via Tiziano 32 Cap 20145	Media production	10,000 ordinary shares	100
ASR Audio Networks GmbH	Germany	Odenwaldstrasse 8, 12161 Berlin	Media production	2 ordinary shares	100

* ZOO Digital Production LLC is indirectly held by ZOO Digital Group plc through ZOO Digital Inc.

Transactions between ZOO Digital Group plc and its subsidiaries, which are related parties, have been eliminated on consolidation.

Subsidiary guarantee

The Company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the period ended 31 March 2026.

ZOO Employee Share Trust Limited

Subsidiary undertakings

Key management personnel

The details of key management remuneration is disclosed in note 10.

Related party transactions

The Company owns 40% of the shares in Ares Media. ZOO Digital Production LLC (subsidiary) owed Ares Media $55,460 at 31 March 26, payable on 45 day terms and purchased services from them of $219,008 in the year.

The Company owns 30% in AM Escudero. ZOO Digital Production LLC (subsidiary) owed AM Studios $75,467 at 31 March 2026, payable on 45 day terms and purchased services from them of $451,424 in the year.

29. Share based payments

Employee share option schemes

Share options have been granted under the following schemes to subscribe for ordinary shares of the Company. Movements in the number of options, under each of the schemes, and their related weighted average exercise price are as follows:

	2026		2025[1]	
	Options	**Weighted average exercise price**	Options	Weighted average exercise price
	No.	**£**	No.	£
ZOO Digital Group plc EMI scheme				
Outstanding at the beginning of the year[1]	**4,373,478**	**0.70**	3,496,478	1.07
Granted during the year	**-**	**-**	1,272,000	0.41
Exercised during the year	**-**	**-**	(25,000)	0.23
Surrendered/Lapsed during the year	**(2,014,827)**	**1.05**	(370,000)	-
Outstanding at the end of the year	**2,358,651**	**0.39**	4,373,478	0.70
Exercisable at the end of the year	**1,406,651**	**0.44**	3,181,478	0.83

[1] FY25 restated as a number of options surrendered when employees left the Group had not been reported. This accounted for 45,000 options from the FY25 opening balance and 370,000 options surrendered in FY25.

The underlying weighted average exercise price for the shares under option at 31 March 2026 was 39p (2025:57p).

ZOO Digital Group plc Unapproved				
Outstanding at the beginning of the year	**6,588,673**	**0.53**	6,075,673	0.57
Granted during the year	**-**	**-**	728,000	0.33
Exercised during the year	**-**	**-**	(405,000)	0.15
Surrendered/Lapsed during the year	**(1,876,673)**	**1.17**	(215,000)	0.71
Outstanding at the end of the year	**4,712,000**	**0.28**	6,588,673	0.53
Exercisable at the end of the year	**3,984,000**	**0.73**	5,764,173	0.56

(1) FY25 restated as a number of options surrendered when employees left the Group had not been reported. This accounted for 415,000 options from the FY25 opening balance and 215,000 options surrendered in FY25

The underlying weighted average exercise price for the shares under option at 31 March 2026 was 28p (2025:53p).

For schemes with an expiry date before 14th May 2030 the percentage of shares that can be exercised is staggered over the exercise period with typically 40% exercisable after the first year and a further 30% in each of the following two years. For schemes with an expiry date on or after 14th May 2030 shares can only be exercised at the end of the exercise period.

Share options granted to key management personnel, including Directors, during the year ended 31 March 2018 have vesting conditions. A total of 3,820,000 share options have a vesting that the Company's share price must be £0.20 or higher for a period of at least three months immediately prior to exercise and 1,000,000 share options have a vesting condition related to the profitability of the Group.

Out of the 7,070,651 outstanding options (2025: 10,962,151 options), 5,390,651 were exercisable (2025: 8,945,651).

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

Scheme	**Volatility**	**Options No.**	**Expiry Date**	**Exercise price £**
ZOO Digital Group plc EMI scheme	57.5%	803,651	**2 Aug 2027***	0.1525
ZOO Digital Group plc EMI scheme	49%	190,000	**2 July 2028**	1.01
ZOO Digital Group plc EMI scheme	47%	413,000	**13 May 2030****	0.725
ZOO Digital Group plc EMI scheme	64%	952,000	**2 Apr 2034*****	0.33
ZOO Digital Group plc Unapproved	57.5%	3,204,000	**2 Aug 2027***	0.1525
ZOO Digital Group plc Unapproved	57.5%	30,000	**5 Oct 2027**	0.375
ZOO Digital Group plc Unapproved	49%	95,000	**2 Jul 2028**	1.01
ZOO Digital Group plc Unapproved	31%	50,000	**30 June 2029**	0.63
ZOO Digital Group plc Unapproved	47%	605,000	**13 May 2030****	0.725
ZOO Digital Group plc Unapproved	64%	728,000	**2 Apr 2034*****	0.33
Outstanding at the end of the year		**7,070,651**		

*Of the share options with an expiry date of 2 Aug 2027 2,888,651 shares have a vesting condition that the Company's share price must be £0.20 or higher for 3 months immediately prior to exercise.

** The share options with an expiry date of 13 May 2030 have a vesting condition relating to the profitability of the Group which was achieved in 2023.

*** The share options with an expiry date of 2 Apr 2034 have a vesting condition relating to the profitability of the Group and revenue targets. This has been judged to be highly improbable to achieve and therefore no charge has been recognised in the current year or previous year's reported profits.

There are no other vesting conditions other than those listed above.

Share based payments have had the following impact on the Group's profit for the year:

	2026	2025
	$000	$000
Total expense recognised from share option transactions	**-**	-

Share based payment reserve appears in the statement of financial position under:

	2026	2025
	$000	$000
Share option reserve	**2,692**	2,692

30. Financial instruments

The Group's financial instruments comprise cash and liquid resources, and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Group's operations.

Categories of financial instruments - Group

	2026	2025
	$000	$000
Financial assets		
Trade and other receivables excluding pre-payments and VAT (note 20)	**6,631**	10,925
Contract assets	**2,290**	2,244
Cash and cash equivalents	**3,574**	2,714
Total	**12,495**	15,883

	2026	2025
	$000	$000
Financial liabilities		
Lease liabilities (note 24)	**3,109**	4,658
Contract liabilities	**289**	618
Other bank borrowings	**1,371**	-
Trade and other payables excluding payroll taxes (note 25)	**10,494**	15,610
Total	**15,263**	20,886

Market Risk

Foreign currency risk

The main risks arising from the Group's financial instruments are from foreign currency risk.

The Group includes subsidiaries operating in both the UK and USA. The majority of the Group's transactions are denominated in US dollars, however the costs arising from the UK subsidiaries are denominated in pound sterling therefore exposing it to a currency risk of fluctuations in the pound sterling/US dollar exchange rate, whilst the increasing focus on local specialists has introduced new currency exposures within the Group to Euros, South Korean Won and Indian Rupees. The Group is further exposed to Turkish Lira through its joint ventures. The Group is most exposed to fluctuations in Pound Sterling and all other currencies have a comparatively immaterial impact on the risk to the Group.

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

	Assets		Liabilities	
	2026	**2025**	**2026**	**2025**
	$000	**$000**	**$000**	**$000**
US Dollars (USD)	**9,571**	12,094	**11,569**	15,945

Pound Sterling (GBP)	**1,039**	772	**2,021**	2,612
Euros (EUR)	**215**	1,952	**619**	793
Indian Rupees (INR)	**301**	2,402	**1,217**	1,609
South Korean Won (KRW)	**379**	581	**188**	332
Turkish Lira (TRY)	**-**	732	**-**	-
Other currencies	**80**	71	**-**	-
	11,585	18,604	**15,614**	**21,291**

During the year ended 31 March 2026 there was similar volatility in the pound sterling/US dollar rate as in the previous year with the rate peaking at 0.78607 and falling to a low of 0.72495, with an average rate of 0.7463. If the US dollar had remained at its highest level throughout the full year the Group would have shown a post-tax profit of $2.9 million (2025: Loss $0.5 million), if US dollar had been at its lowest level throughout the full year the Group would have shown a post-tax profit of $3.3 million (2025: Loss $0.4 million) and if the US dollar had remained at the average rate throughout the year the Group would have shown a post-tax profit of $3.2 million (2025: Loss $nil). No sensitivity analysis is presented for other currencies on the basis that exposure to assets and liabilities for those currencies is immaterial, and net exposure to each currency is negligible at the year end.

Transactions between the Company and its subsidiaries are in US dollars, however the Company is exposed to exchange rate fluctuations due to the majority of its costs being denominated in pound sterling and through the revaluation of the Company's pound sterling creditors.

The pound sterling/US dollar exchange rate at the 31 March 2026 was 0.757 (2025: 0.775).

Interest rate risk

The Group has a facility with HSBC Bank which provides invoice financing of up to $5 million against US clients' invoices raised by ZOO Digital Production LLC. This facility is in place until 31 March 2027. Interest is payable on a monthly basis at an interest rate linked to SONIA. The Group is subject to interest rate risk on the movement in the SONIA rate.

The Group also has a UK invoice financing facility provided by HSBC of up to $2 million against UK clients' invoices raised by ZOO Digital Limited. This facility is in place until 19 November 2026. Interest is payable on a monthly basis at an interest rate linked to the UK base rate. The Group is subject to interest rate risk on the movement in the UK base rate.

The HSBC bank overdraft facility has terms linked to the UK base rate, but the interest rate risk is minimal due to the reduced need for drawing down upon the facility.

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. Management monitors rolling forecasts of the Group's cash and cash equivalents on the basis of expected cash flows, reducing its liquidity risk through management of bank accounts, trade debtors and trade creditors, by utilising the availability of an overdraft facility, leases and invoicing financing facilities and through controls on expenditure.

The Group has a facility with HSBC Bank which provides invoice financing of up to $5 million against US clients' invoices raised by ZOO Digital Production LLC. This facility is in place until 31 March 2027.

The Group has a £250,000 overdraft facility in place from HSBC for the UK companies. There was no overdrawn balance at the year-end 31 March 2026.

The tables below analyse the financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At 31 March 2026	**$000**	**$000**	**$000**	**$000**
Borrowings	**1,371**	**-**	**172**	**-**
Lease liabilities	**1,523**	**1,412**	**174**	**-**

Trade and other payables	**10,494**	**-**	**-**	**-**

At 31 March 2025	Less than 1 year $000	Between 1 and 2 years $000	Between 2 and 5 years $000	Over 5 years $000
Borrowings	-	-	237	-
Lease liabilities	1,474	1,468	1,479	-
Trade and other payables	15,610	-	-	-

Credit risk

Credit risk arises from cash and cash equivalents and credit exposures on outstanding receivables. The Group's and Company's main credit risks are on the outstanding trade receivables. This risk is reduced through credit control procedures. An analysis of outstanding receivables is included in note 20.

31. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position plus net debt.

	2026 **$000**	2025 $000
Total borrowings	**4,652**	4,658
Less cash and cash equivalents	**(3,574)**	(2,714)
Net debt	**1,078**	1,944
Total equity	**15,813**	19,821
Total capital	**16,891**	21,765
Gearing ratio	**6%**	9%

GROUP DIRECTORY

Head Office

ZOO Digital Group plc
Citygate
8 St Mary's Gate
Sheffield
S1 4LW
United Kingdom

T: +44 (0)114 241 3700
F: +44 (0)114 241 3701

ZOO Digital Limited
Citygate
8 St Mary's Gate
Sheffield
S1 4LW
United Kingdom

T: +44 (0)114 241 3700
F: +44 (0)114 241 3701

ZOO Digital Production LLC
2201 Park Place
Suite 100
El Segundo
CA 90245
USA

T: +1 310 220 3939
F: +1 310 220 3958

ZOO Employee Share Trust Limited
Citygate
8 St Mary's Gate
Sheffield
S1 4LW
United Kingdom

T: +44 (0)114 241 3700
F: +44 (0)114 241 3701

ZOO Digital Inc.
2201 Park Place
Suite 100
El Segundo
CA 90245
USA

T: +1 310 220 3939
F: +1 310 220 3958

ZOO Digital India Private Limited
501, 5th Floor
Modi House of Link Road, C-10
Dalia Estate, Andheri West Mumbai
Mumbai City MH 400053
India

ZOO Korea Co. Ltd
424, Yangcheon-ro
Gangseo-gu
Seoul
Republic of Korea

ZOO Digital Italy SRL
Viale Monza, 12
20125 Milano
Italy

ASR Audio Networks GmbH
Kreuznacher Str. 3
14197 Berlin
Germany
T: +49 (0)30 27991649