

Annual Report & Financial Statements

BLACKBIRD plc

for the year ended 31 December 2025



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COMPANY INFORMATION

DIRECTORS: I McDonough
S B Streater
S J White
Y Hazanov
N M Lisher

SECRETARY: M C Kay

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London
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REGISTERED NUMBER: 03507286 (England and Wales)

AUDITORS: Moore Kingston Smith LLP
Statutory Auditor
Chartered Accountants
9 Appold Street
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EC2A 2AP

SOLICITORS: Blake Morgan
6 New Street Square
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**NOMINATED ADVISER
AND BROKER:** Allenby Capital Limited
5 St Helen's Place
London
EC3A 6AB

Nine Years in the Making. The Moment is Now.

When I joined Blackbird in September 2017, I came with a simple belief, one built over 15 years of running television networks across the world. Content is created by teams, but the editing workstation — the main storytelling platform — is a fortress. Only one person can sit at it. The bottleneck was access. I believed that whoever removed that bottleneck would reshape how the world creates video. What I could not have anticipated was that artificial intelligence would arrive to accelerate that case so dramatically. AI is not a threat to our model. By enabling higher levels of video production, which all require editing, it is the most powerful external validation we could have hoped for.

Had someone handed me an accurate timeline in 2017, I might well have hesitated. I am glad nobody did. The road has had its twists, turns and dead ends, as any realistic account of building something genuinely new must. But the direction of travel has always been clear. I am more confident in Blackbird today than at any point since I first invested.

That confidence has a name: elevate.io. For those who have followed this company closely, I believe you will share the sense of anticipation the Board and I feel as we move through 2026. elevate.io is the clearest expression yet of what Blackbird has always been building — a professional-grade, cloud-native video editing platform that places collaboration at its centre. It runs at full performance in any browser, on any hardware, underpinned by patented technology that no incumbent can easily replicate. It is multiplayer by design and this enables instant client review without friction. It is built on an open architecture designed to sit at the centre of an AI-powered creative world. The pace of development reflects that ambition: in the past twelve months alone we have added OpenAI speech, image and subtitle integration, stock video via Pexels, our own Looks, transitions and visual effects, vertical video, mobile upload and instant review. The pace of development is accelerating.

AI is transforming video production at extraordinary speed, empowering experienced creators to produce more and enabling those earlier in their journey to get started. The volume of content being created is mushrooming — and every piece of it still needs to be assembled, reviewed and approved on a master platform. The more AI accelerates production at the front end, the more indispensable elevate.io becomes at the centre of that workflow to organise the content into a publishable video. This matters because we are not competing in the traditional editing market on traditional terms. Our competitors - Adobe Premiere Pro, DaVinci Resolve, Apple Final Cut and CapCut — are Goliaths and have deep pockets and established distribution. We will not fight that arms race. Our battlefield is the broken, archaically inefficient workflow that surrounds every piece of video content professional teams produce: the file transfers, the email chains, the waiting for the one person with the right machine. That is the problem elevate.io solves, every day, for every customer.

Our go-to-market targets two complementary segments: professional creators working with brands and in-house brand and marketing teams. Both are constrained by workflows built around fixed workstations and sequential access. elevate.io liberates both — running in any browser on any computer, removing the IT procurement barrier that has historically slowed adoption of professional creative tools. We have direct integrations with leading generative AI platforms, with our open architecture ensuring we can integrate with whatever tools our customers adopt next. Looking further ahead, our cloud-native foundation positions us to develop proprietary AI models trained on specific creative tasks — from motion graphics to agentic editing interfaces — that will deepen the platform's value over time.

The freemium model we operate has demonstrated genuine market appetite. As at 16 March 2026 elevate.io has attracted over 138,000 registered users with a conversion rate of 1.1% since the end of September 2025. The platform had 388 paying subscribers and annualised recurring revenue of approximately \$52k as we are nearing the end of our product-market fit stage and what the Board anticipates being a meaningful monetisation curve.

Full details of our financial performance are set out in the Financial Review. The Board has been deliberate in prioritising product and go-to-market foundations over short-term scale. 2025 also brought important internal change: following Anne's departure as Chair of the Board, I restructured the organisation to reflect where we are as a business. We are leaner, faster, closer to our customers and better positioned to execute with urgency. That was a deliberate choice and I am confident it is the right one.

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board looks to 2026 with huge excitement. elevate.io is looking to change current video production workflows which are cumbersome and inefficient. The hypothesis we have held since the beginning — that video storytelling for brands and creators is becoming more iterative, more collaborative, and more continuous — is playing out quickly. elevate.io gives us the product to lead that shift. Our architecture gives us the platform to grow with it. Our 138,000 registered users give us the foundation. To our shareholders, partners, and everyone who has stayed the course — the best is ahead.

Ian McDonough

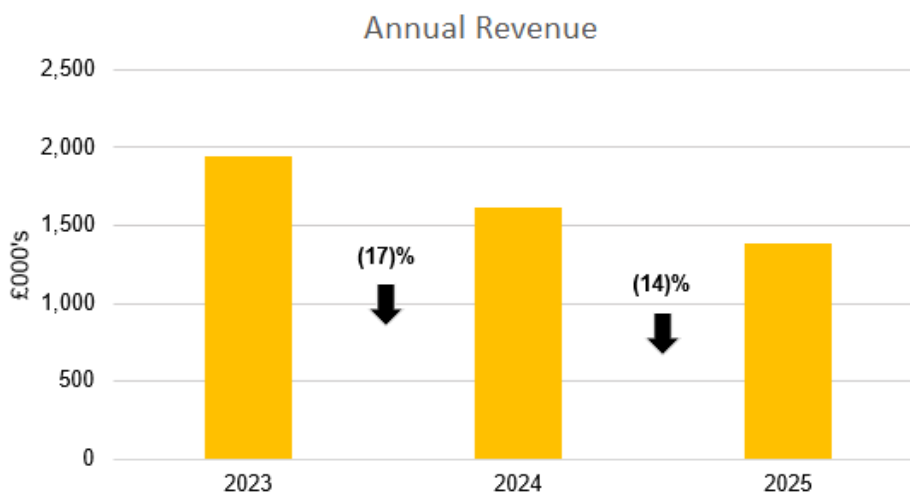
Executive Chairman & Co-Founder, elevate.io
Blackbird plc
March 2026

FINANCIAL REVIEW
FOR THE YEAR ENDED 31 DECEMBER 2025

Financial review

Revenue

In the year ended 31 December 2025, the Company recorded revenues of £1.38m (2024: £1.61m), which represented a decrease of 14% year on year. The majority of the fall relates to deal losses in the Blackbird division (including US Department of State, Arsenal and MSG) and some non-recurring revenue in the prior year from the 2024 summer games.



Operating costs

Operating costs during the year to 31 December 2025 decreased to £2.95m compared to £3.60m in the corresponding period in 2024 mainly due to savings on staff costs partially offset by higher marketing cost on elevate.io. Operating costs pre-capitalisation and LTIP provision decreased to £4.50m from £5.30m. Capitalisation costs of £1.55m (2024: £1.70m) decreased predominantly due to lower work on and capitalisation of costs on the Blackbird platform versus 2024.

Performance measures

The Company has identified certain metrics such as: i) Adjusted EBITDA pre LTIP provision and share option costs and ii) cash burn excluding proceeds from share issues and transfers into short-term deposits, which whilst they are non-GAAP metrics, assist in the understanding of business performance. These alternative performance measurements may not be directly comparable with other companies' measures and are not intended to be a substitute for any International Accounting Standards performance measures. The Company believes that Adjusted EBITDA pre LTIP provision and share option costs is the best measure to reflect core operational performance and that cash burn, excluding proceeds from share issues and transfers into short-term deposits, provides the best measure of the cash being utilised by the business until it can be self-generating.

Adjusted EBITDA pre LTIP provision and share option costs

Total adjusted EBITDA loss (pre LTIP and share option costs), decreased to a loss of £1.67m (2024: a loss of £2.14m). This was due to lower operating costs partially offset by lower revenues. The restructuring in prior years and tight cost control led to improved performance in the Blackbird division of £0.71m in 2025 (2024: £0.49m Adjusted EBITDA pre LTIP and share option cost).

Net loss

The net loss for the year was £2.61m compared to a net loss of £2.35m in 2024 due to higher amortisation costs from elevate where amortisation began in February 2025 on the introduction of the payment gateway, lower net financial income due to lower interest rates and lower average cash balances income and a lower tax credit offsetting the lower adjusted EBITDA loss (pre LTIP and share option costs).

Cash burn excluding proceeds from share issues and transfers into short-term deposits

Net cash outflow, ignoring proceeds from share issues and transfers into short-term deposits, decreased by 20% to £3.01m (12 months to 31 December 2024: £3.75m) brought about by an improved performance in the Blackbird division and lower overheads despite an increase in marketing expense for elevate.io.

**FINANCIAL REVIEW
FOR THE YEAR ENDED 31 DECEMBER 2025**

Outlook

Blackbird continues to operate in line with expectations and, via an OEM, was successfully used at the recent winter games in Cortina. The Company expects the division to again be profitable in 2026 through a focus on customer success and retention.

The Company has a healthy balance sheet with no debt. It started 2026 with £2.72m in cash and short-term investments. After the year end, this was bolstered by net proceeds of £0.47m received from a subscription from an existing investor, These funds strengthen the Company's Balance sheet allowing it to step up its marketing activities for elevate.io and be used for general working capital purposes.

The Board is encouraged by the progress made on elevate.io during the last year and believes that it is positioning well to address current content creator's pain points enabling them to produce better videos faster and more collaboratively. It is focused against executing its strategy to prove product market fit ahead of scale up.

Stephen White
Chief Operating and Financial Officer

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Company has two products in the SaaS video creation space, Blackbird and elevate.io, both of which are available through a browser. Both Blackbird and elevate.io are cloud native and use Blackbird's core patented technology including the latest iteration of the Company's proprietary codec.



Blackbird is targeted at Enterprise customers specifically for fast turnaround content in the sports and news sectors. Blackbird is used on the pinnacle of content in these sectors with an 'A' list clientele base including FIFA, CBS Sports, a global financial news organisation and 77 regional US TV stations through its partnership with Blox Digital. In the majority of cases Blackbird is sold to its customers on annual or multi-year deals with fees based around number of users, storage and the amount of content ingested. However, there are also some shorter term deals around events such as the recent global winter games in Cortina.

Blackbird is also a licensor of its technology to EVS, a leader in live video technology for broadcast and new media productions, who use Blackbird in their IPD VIA Create product. Blackbird receives a royalty based on the number of editor seats and the number of live feeds ingested into IPD VIA Create. This royalty is underpinned by an annual minimum guarantee. In 2025, the revenue recognised was the minimum guarantee of €0.3million.

The Blackbird business has been restructured in recent years with a view to improving financial performance. Whilst revenues were down 15% year on year to £1.36m (see Financial Review on page 4) the division produced a positive Adjusted EBITDA pre LTIP and share option costs of £0.71million (2024: £0.49million) and net profit of £0.38million (2024: net profit of £0.02million).



elevate.io is a self-service SaaS online collaborative video editing tool. Initial customer targets include marketing teams and content creators.

Built using core Blackbird technology, elevate.io aims to address key video creation pain points facing content creators today including: time lost from exporting, downloading and re-uploading videos for review with most video going through at least three revisions with each one triggering another export; constant file movement kills the momentum wasting time, money and creative energy; elevate.io, being browser based removes the need for rendering and exports; the in-editor instant review and approval process collapses feedback loops; multiplayer collaborative editing allows teams to work together in real time.

elevate.io's payment gateway was launched in February 2025 so that the Company could gain learnings as it went through its product market fit phase whilst it continually added features and functionality to more closely meet the needs of its initial Ideal Customer Profiles ("ICPs"). Following direct engagement with the ICPs, the Company has launched a revised pricing model structured as a free plan and three paid tiers, being: Creator at £10/\$10/€10 per month; Pro at £30/\$30/€30 per month; and Business at £100/\$100/€100 per month. By validating the ICPs and their needs, the pricing plans have been designed to address distinct use cases and value expectations, enabling customers to quickly self-select the most appropriate plan. This clear alignment between ICPs, product capability and pricing is intended to simplify purchasing decisions and reduce friction at sign-up.

Pricing is based around 'Teams' and, in addition to monthly or annual subscription fees, varies according to the number of users in a team and the amount of storage. elevate subscribers can also purchase additional tokens on top of their monthly and sign up allowances, which can be used by teams to purchase further integrated services such as AI generated images, subtitles or text-to-speech.

The Company has developed elevate.io with the intention of opening up its addressable market and accelerating sales growth. See infographic below which shows an initial serviceable addressable market of US\$ 6.9 billion in 2022.



Currently in its product market fit phase, the Company has prepared a plan to prove out elevate.io's revenue model ahead of scale up.

A detailed review of the Company's financial performance during the year ended 31 December 2025 and an outlook for the future is provided within the Financial review on pages 4 and 5.

Going concern

The Company made a loss after tax for the year of £2.61 million (2024: loss of £2.35million) and revenue decreased by 14% year on year. The majority of the fall in revenue can be attributed to deal losses in the Blackbird division as explained in the Financial Review (see Page 4). The larger loss was principally due to the beginning of amortization of the elevate.io capitalised costs from February 2025 when the payment gateway went live. The Company continues to monitor and control its cost base and, due to a reduction in overheads during the year, reduced its cash burn by 20% compared to 2024 to £3.01 million (see Page 8).

In June 2025, the Company raised £2.1 million (pre expenses), with a further £0.5 million (pre expenses) raised in December 2025 (receipt of funds occurred post the year end in January 2026). The proceeds will be used to see elevate.io through its product market fit phase and step up marketing activity at the appropriate time. The Board is also very mindful of its cost base, which is closely monitored, and takes appropriate actions to ensure that elevate.io is well positioned to prove out its 'revenue engine' cost effectively. At 31 December 2025 the Company had £2.72 million (2024: £3.77 million) held in cash and short-term investments and no debt.

The Company starts the year with deferred revenue and order book of £1.22 million (2024: £1.83 million) in the Blackbird division, which is down 33% to prior year mainly due to one year less on our major contracts of EVS and the global financial news organisation. Contracted revenue for 2026 at 31 December 2025 was £0.87 million which is broadly similar to the position at 31 December 2024. The Board expects the Blackbird division to be profitable again in 2026.

For elevate.io, the Board is pleased with the progress made during the year, with a number of new features and functionality being added to the platform including stock video, tokens, speech-to-text, AI images, in editor instant review, folders (which are the start of Digital Asset Management "DAM"), boundary boxing and post year end, subtitles. Feedback from prospective customers and partners has been positive.

The Directors have prepared a budget for 2026 and forecast for 2027 for continued growth off a cost base which will continue to be closely managed to support this.

elevate.io is new to market and sales are currently unproven. Therefore, there is the risk that sales could be lower than the Director's forecasts. Recognising this risk, if elevate.io sales were lower than the 2026 budget and 2027 forecast, the Directors have prepared an Action Plan and forecasts with a lower level of sales. The Action Plan includes actions to reduce costs should this be required, including deferring development and reducing overheads costs in an appropriate timescale to reduce the cash requirements in order to ensure the continuity of the business for at least twelve months from the date of approval of the financial statements.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Key Performance Indicators

The Board is fully focused on its core strategy to prove out the elevate.io business model ahead of scale up, whilst also maintaining cost control, to ensure that this is done cost effectively. We also focus our attention on improving Adjusted EBITDA pre LTIP provision and share option costs where the loss was reduced to £1.67 million from £2.13 million in 2024, as a reduction in operating costs to £4.50 million from £5.30 million in 2024 more than offset a fall in revenues. The restructuring of the Blackbird business in prior years led to it generating a £0.38 million profit in the year (2024: £0.02m).

For elevate.io, we are experimenting with different marketing channels in order to prove out the business model to show product market fit. In future reporting periods, once product market fit has been achieved, we will be sharing further key performance indicators for elevate.io. As at 16 March 2025, the platform has had over 138,000 verified sign ups, has 388 current paying subscribers and in February, the last full month available had 1402 returning monthly active users.

Additionally, the Board uses the following metrics to monitor business performance:

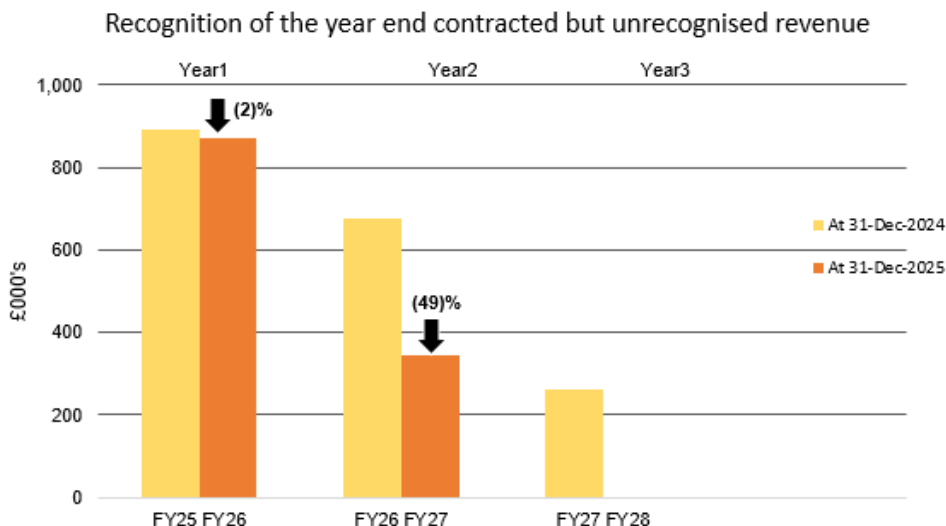
- **Cash burn**

Reaching a positive cash flow position is a core goal for the business. Cash burn is reviewed regularly, and expenditure is tightly controlled and closely monitored. In 2025 cash burn, excluding proceeds from share issues and funds placed on short-term deposits, was £3.00 million a decrease of 20% compared to the prior year (2024: £3.75 million). The main reason behind the decrease in cash burn compared to prior year was a reduction in overheads compared to 2024. This metric reconciles back to net cash from operating activities as follows:

	2025	2024
Net cash outflow from operating activities	(1,583,739)	(2,404,943)
Payments for intangible fixed assets	(1,553,536)	(1,695,887)
Payments for property, plant and equipment	3,791	(20,719)
Interest received	130,181	402,826
Payment of lease liabilities	0	(29,295)
Cash burn, excluding proceeds from share issues and transfers into short-term deposits	(3,003,304)	(3,748,018)

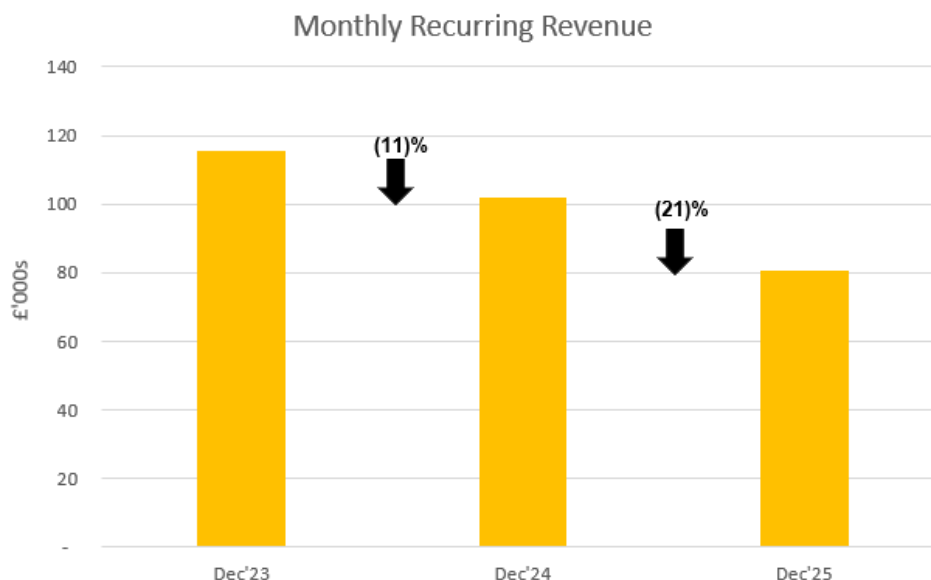
- **Contracted but unrecognised revenue is a key measure of future revenues**

This metric will continue to be used to assess the future order book and revenues for the Blackbird division, which is sold on annual and multi-year deals. As at 31 December 2025 this was £1.22m down 33% year-on-year (as at 31 December 2024: £1.83m) due to one year less on our largest deals. The contracted revenue for 2026 at the end of 2025, £0.87 million was in line with prior year (contracted revenue for 2025 at the end of 2024: £0.89m).



- **Monthly recurring revenue (MRR)**

MRR fell by 21% year on year driven by the loss of a number of deals including US Department of State, Arsenal and MSG. MRR excludes the annual minimum sales guarantee from EVS on our technology licensing deal (€0.3 million recognised in December 2025).



- **Customer retention**

Delivering first-class customer service is key to customer retention. Blackbird has implemented calls with all our customers to gain feedback on the platform, understand their use cases, and assist with expanding Blackbird into new workflows. In 2026 we retained deals with customers who accounted for 92% (2024 comparative: 87%) of OEM and Infrastructure revenue in 2025.

PRINCIPAL RISKS AND UNCERTAINTIES

Going concern

Whilst the Board has developed a strategy and business model to grow the business and is implementing this, variables affecting the business, which are outside the Company's control, could be very different to the assumptions in plans and forecasts leading to slower growth than anticipated and lead to a requirement for additional funding. The Board carefully and regularly monitors cash flow requirements and actively seeks to ensure that appropriate finance is in place to fund operations until the Company produces a positive cash flow and is self-funding.

Where necessary management will reduce costs to preserve cash funds to be focused on the long term growth of the business. The timing of sales of elevate.io are uncertain at the current time and management has an action plan should there be slower uptake than forecast

Technology and product risks

Blackbird is a cloud native video-editing platform operating in several market sectors but principally news and sport. The Company's ability to sell its platform is affected by the rate of adoption of cloud services in each sector, our ability to provide the necessary functionality and interoperability and the customer user experience. The Company needs to continue to innovate and develop the platform in order to meet changing customer demands but resources are limited compared to some competitors. Blackbird is dependent on third parties, both Open Source and proprietary, to provide appropriate software and licences.

elevate.io aims to open up a wider addressable market for the Company and accelerate sales growth through targeting users in the fast-growing creator economy.

The adoption of cloud-based media services is significant, and the growth continues to accelerate. This is fuelled by the aggressive investment by, and focus of, leading cloud companies including Amazon Web Services, Microsoft Azure and Google Cloud Platform.

The Company's strategic focus allows it to allocate resources on platform developments in the required areas. We regularly review our product development investment focusing resources where we see the greatest return on investment.

There are risks related to new product development activities, in that it may take longer than expected to be market ready, some areas might not be commercially viable and/or the market opportunity for these products may not materialise and there are uncertainties around capabilities from new technologies such as cellular networks and artificial intelligence.

Competitor and market risks

Competitors and new entrants could succeed in producing superior product offerings on a more timely basis or outperform in the marketing and selling of their products, thereby slowing down the adoption of the Company's products. Other industry competitors have access to much larger resources than the Company. In addition, competitors and new entrants could react to new market opportunities faster than us, which would result in a loss of sales opportunities. The Company continuously monitors its strategy and market focus. We regularly review the activities of existing and emerging competitors and monitor the emergence of new market opportunities. Through effective market monitoring and building deeper knowledge of our customers and prospective customer needs, we adjust the focus of applications development and commercial activities accordingly.

Organisational risks

As a small company, we have a high proportion of key staff, and the loss of any of these staff would be detrimental to the Company. Creating a productive, respectful working environment, empowering employees, offering career development opportunities and incentivising them with long-term incentive plans are all elements of our staff retention program. We have over time, built a network of organisations that can help the Company to respond to key resourcing challenges effectively.

Security risks

The Company protects itself against cyber-attack by addressing known risks, such as published internet vulnerabilities and by installing patches. Periodically we appoint independent contractors to do penetration tests on our platform and APIs to ensure that our security and systems are robust. For the Blackbird platform the last test was performed and passed in October 2025. The Company continues to maintain its SOC 2 Type II compliance demonstrating its commitment to ensure that it has adequate procedures, processes and controls in place to protect our customers content and data. The last accreditation was awarded in November 2025. The Company reviews its ongoing risk and prepares an annual security plan which focuses resources in the necessary areas. However, there are no guarantees that the Company's platforms would be unassailable to committed cyber-attacks.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Data protection and the General Data Protection Regulation (“GDPR”)

We take very seriously the needs of our stakeholders for data protection. We have implemented processes and procedures to ensure that the Company is GDPR compliant. This is a continuing process and a GDPR committee meets monthly to ensure levels of data and video content is controlled, new relationships assessed, and processes are being continually reviewed to protect personal data of all our stakeholders.

Financial instruments

The Company has no borrowings and reviews its working capital requirements on a regular basis. The Company's financial instruments comprise trade debtors, trade creditors and cash. The Company has not entered into any derivative or other hedging instruments. The Company's practice has been to finance its operations and expansion through the issue of equity share capital. Financial assets comprise cash at the bank and on short-term deposits. The fair value of the financial assets and financial liabilities are not materially different from their carrying values.

The Company is exposed to currency fluctuations on exchange rates for revenue and expenditure generated internationally. The Company's main exposures are in North America and in Europe where it is subject to changes in the pound versus US dollar and Euro exchange rates. Whilst there is some natural hedging between some income and expenditure in these currencies, the Company does not formally hedge against this currency risk since the directors feel that, at current levels of income and expenditure, the risk does not materially affect our working capital position and financial performance. The Company transfers excess US dollars and Euros into sterling as soon as practically possible to minimise any foreign exchange impact. Total realised foreign exchange gain in the year was £4k (2024: £1k loss).

Capital management

The Board's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and provide returns for shareholders and benefits for other stakeholders. The Company remains debt free. The Company spreads its cash balances and term deposits amongst a number of financial institutions in order to minimise risk and achieve a reasonable rate of return.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. There are three customers that represented more than 10% of revenue in 2025 (2024: three customers). The Company helps mitigate its financial risk by charging annual licence fees in advance where possible. During the year there was no bad debt expense (2024: £nil).

S172 STATEMENT

During 2025, the Board of Directors of Blackbird plc consider that they have acted, in good faith, to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to factors (a) to (f) of the Act.

Strategy

It is important that our shareholders, be they institutional, private or employees, understand our strategy. We have set out our strategic direction for the core Blackbird platform in previous annual reports (which can be found at <https://www.blackbird.video/investor-relations/>) and shareholder meetings and also to our employees so that they are all clear about how we intend to scale the business.

Stakeholders and risk management

As part of the QCA Corporate Governance code (see page 18), we have identified our key stakeholders and actively taken steps to widen our engagement with them. The Company offers engagement with shareholders at results announcement and the AGM and ensures that there is sufficient time for Question & Answer sessions where it has been pleased with the level of shareholder engagement. The Company works with its broker to continue to promote our story in the market, which should increase liquidity, to the benefit of all shareholders. We have set out the principal risks that the Company faces and how, as much as we can, we mitigate them.

Our people

We have fostered a culture of inclusion and diversity with our employees where we embrace a set of values (see <https://www.blackbird.video/careers/>) and created an environment where we listen to and communicate with them regularly.

Our business relationships

We ensure that any potential customer or supplier adheres to our own high ethical standards and sign up to anti-slavery and anti-bribery codes. We welcome feedback from our customers and strive to meet the highest standards of service for them (see customer retention KPI on page 9). The security of our customers' data and content is of the utmost importance to us and we have designed then put in place a series of procedures and policies to achieve this. For the Blackbird platform this includes a commitment to attaining the SOC2 Type II accreditation annually with the last certification in November 2025.

Environment

Building on the back of the Carbon emissions reports we previously produced, in conjunction with environmental consultancy Green Element, we continue to promote the 'green' agenda within the industry and the benefits of our cloud-native technology.

ON BEHALF OF THE BOARD:

Stephen White
Chief Operating and Financial Officer
20 March 2026

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The directors present their report with the financial statements of the Company for the year ended 31 December 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was the commercial exploitation of cloud native video technology via the Blackbird platform, the licensing of our technology to a third party and the building of elevate.io, a self-service content creation platform which aims to open up our addressable market.

The principal risks are highlighted in the Strategic Report on Page 10 and 11.

DIVIDENDS

No dividends will be declared for the year ended 31 December 2025 (2024: £Nil).

EVENTS SINCE THE END OF THE YEAR

Since the end of the year, the Company has received c.£0.47m funds from a recent subscription which was announced in December 2025.

DIRECTORS AND DIRECTORS' INTERESTS

The following directors have held office during the period under review.

I McDonough
S B Streater
S J White
A I P N de Kerckhove (resigned 18 June 2025)
Y Hazanov
N M Lisher

DIRECTORS INTERESTS IN CONTRACTS OF SIGNIFICANCE

There were no contracts of significance to which the Company was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

DIRECTORS INTERESTS IN SHARES

The directors who held office during the financial year had the following interests in the shares of the Company according to the register of directors' interests:

	<u>Class of share</u>	<u>Interest at end of year</u>	<u>Interest at start of year</u>
S B Streater	Ordinary shares of 0.8 pence	62,785,000	62,785,000
I McDonough	Ordinary shares of 0.8 pence	13,097,782	10,431,116
S J White	Ordinary shares of 0.8 pence	1,594,828	1,094,828
Y Hazanov	Ordinary shares of 0.8 pence	-	-
N M Lisher	Ordinary shares of 0.8 pence	-	-

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 – continued**

SIGNIFICANT SHAREHOLDERS

At the year end the following shareholders held an interest of 3% or more in the Company's ordinary share capital:

62,785,000	13.7%	SB Streater
59,355,571	13.0%	Premier Miton Group plc
32,151,895	7.0%	I McDonough & family
17,966,863	3.9%	Canaccord Genuity Group Inc
12,196,977	3.1%	The Diverse Income Trust plc

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made £nil in charitable donations in the year (2024: £nil).

AUDIT COMMITTEE

Post the resignation of Anne de Kerckhove, the Audit Committee currently comprises Youri Hazanov. Other Board members are invited based on the topics for discussion. In the period since the last Directors' Report it met 4 times.

The Committee's mandate is to:

- Monitor the integrity of the financial statements of the Company including its annual statutory accounts and interim results.
- Review the accounting policies, treatment of unusual transactions, estimates and judgements, taking into account the views of the external auditors.
- Review and challenge the clarity and completeness of disclosure in the Company's financial reports (both narrative and financial).
- Monitor the adequacy and effectiveness of the Company's internal controls and risk management systems.
- Review and monitor the emerging need for ESG reporting.
- Appraise the content and disclosure within the annual statutory accounts and make recommendations to the Board.
- Oversee the relationship with the external auditors and review their effectiveness, making recommendations to the Board in relation to their appointment, re-appointment or removal and price.
- Communicate to shareholders the extent of the Committee's activities.

Specific actions taken by the Committee since the date of the last Directors' Report include the following:

- A review of the Interim accounts of the Company as at 30 June 2025 and the Annual Report and Statutory Accounts of the Company for the year ended 31 December 2025 giving particular attention to any changes in the year and material items ensuring clear and adequate disclosure in the notes to the accounts in respect of these.
- A review of the development costs' capitalisation and amortisation policies and year end impairment review.
- A review of the disclosures in the Executive Chairman's Statement and Strategic Report, to ensure that the performance and risks of the Company for the year ended 31 December 2025 are adequately described and reported thereon.
- An assessment of the performance and continuing independence of Moore Kingston Smith LLP as auditors of the Company, approval of the terms of their engagement and their remuneration. Considering all the facts, including that the lead partner changed in 2022, there is a separate team to carry out the SOC audit, the Committee conclude that the audit continues to be independent, objective and effective. However, as part of our commitment to high-quality audit, and in line with good governance, the Audit Committee has decided to put the external audit contract out to tender. We believe this is in the best interests of shareholders as it allows us to benchmark audit quality, services, and fees. We plan to carry out this activity over the summer with a decision made and announcement of the result ahead of the Company's Interim results.
- A review of the findings of the auditors arising out of the audit of the Company for the year ended 31 December 2025. The Committee can report that there were no significant findings arising from the audit which could have given rise to material misstatements and reclassifications and that there were no significant matters concerning the operation of the accounting and control systems brought to the attention of the Committee.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 – continued**

The Company generally holds monthly Board meetings except in December. Other Board meetings are held on an ad hoc basis as and when required. A minimum of two Directors are required for a quorum at Board meetings to transact business. Attendance at Board and Committee meetings since the last Director's Report was as follows:

	Board Meetings	Audit Committee	Remuneration Committee
I McDonough	13	4	1
S B Streater	13	-	-
S J White	13	4	1
A I P N de Kerckhove	3	-	-
Y Hazanov	12	3	1
N M Lisher	12	-	1

SHARE OPTION AND LONG-TERM INCENTIVE SCHEMES

In the 12 months to 31 December 2025, options over ordinary shares of 0.8p in the Company were granted under the Company's Enterprise Management Incentive Share Option Scheme as follows.

Date granted	No of shares over which options granted	No of Directors, employees, consultants to whom options granted	Exercise price (pence)	Date from which exercisable	Date to which exercisable
11 August 2025	2,960,000	31	2.8167	11 August 2028	10 August 2035
13 October 2025	135,000	3	2.4833	13 October 2028	12 October 2035

On termination of employment, employees and directors lose their share options unless the Board exercises its discretion to allow an employee or director to retain their share options for a discretionary period. Options are granted to individual employees, consultants and directors. Options vest three years after the date of grant on condition that the recipient is still an employee or director of the Company. The Directors are permitted to determine that options which might otherwise lapse may remain exercisable for a period up to ten years from the date of grant. This confers discretion on the Directors to agree extended dates for exercise of options in certain limited circumstances, where the option-holder would otherwise cease to be eligible to exercise the options, if the Directors consider it to be in the best interests of the Company to do so.

The exercise price for the share options issued was the higher of 1) average closing price for the previous three days prior to the date the options were granted or 2) the closing price for the previous day prior to the date the options were granted.

The Company awarded no LTIP units (2024: none) during the year relating to the Long Term Incentive Plan (LTIP). As previously announced, the hurdle price of LTIP1 and LTIP2 units for the third LTIP period, which runs from 1 January 2025 to 31 December 2027, is 15 pence and 20 pence respectively.

Full details of the Plan can be found under the investor's section on the Company's website. Note 12 to the accounts on page 47. provides a summary.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Blackbird recognises the urgent focus on the societal impact of businesses. We believe that the foundation for effective ESG management is robust and transparent governance and integration of these factors into the way we do business. This includes alignment with our overall strategy and embedding relevant ESG matters into our culture, practices and product offering so that we can contribute to a just and clean world in which future generations can flourish.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 – continued

Environment

Blackbird is committed to conserving natural resources in all that we do – delivering real, tangible environmental benefits to customers and society. The Blackbird cloud solution provides significant benefits versus alternative solutions and, as part of our white paper 'Video shouldn't cost the earth', Blackbird was shown to generate up to 91% less carbon emissions. Blackbird has been recognised for our work in this area, being awarded the London Stock Exchange's Green Economy Mark and, in December 2021, the International Association of Broadcast Manufacturers' (IABM) inaugural 'Environmental Sustainability' award. elevate.io uses Blackbird's core technology and as a cloud native solution delivers similar environmental benefits to competitive on premise solutions.

• **Technology**

- No new hardware:
Blackbird and elevate.io work in any browser eliminating the need to buy new bespoke editing hardware and enabling easy scaling with limited infrastructure investment. Research showed that the Blackbird platform had up to 75% lower infrastructure costs than competitive solutions
- No packaging:
Our software is available digitally in a browser – eliminating the need to send physically boxed products and associated packaging
- Less travel:
Blackbird and elevate.io are easy to learn with users trained and supported remotely for the former and self-served for the latter reducing the need to travel and the associated carbon emissions
Blackbird and elevate.io enable remote, collaborative editing in the cloud lessening the need to travel to offices and live events
- Less energy:
The ultra-efficient Blackbird codec enables the publishing and sharing of high-quality video output without the need to upload or download high resolution content resulting in major bandwidth energy efficiencies
Our codec allows for the highly efficient ingress/egress of video content which removes the requirement for energy hungry storage and network infrastructure
With both Blackbird and elevate.io there is no need for high performance desktop workstations

• **Corporate**

- Employees use online video conferencing platforms for the vast majority of internal and external meetings to minimise their travel footprint
- The company operates a tax efficient electric car policy to encourage the use of zero emission vehicles
- The Cycle to Work Scheme - part of the Government's Green Transport Plan - is actively encouraged which enables employees to save on the cost of a bike and accessories

Social

• **Freedom**

By its design, Blackbird gives end users the ability to operate remotely from any location. This facilitates a work-life balance. Additionally as Blackbird is available in a browser and is free of proprietary hardware, it provides a more sustainable solution compared to its competitors.

• **Diversity & inclusion**

- Blackbird is proud to employ staff from different cultures and experiences. We always aim to recruit, develop and retain the most talented people, regardless of their background and make best use of their skills and interests.
- For customers, Blackbird can be used in a much more inclusive way than competitor products. Blackbird is designed to work effectively across a large range of bandwidths, without the need for additional hardware and is accessible from a browser.

• **Career development**

- Blackbird is committed to the support of career development for all staff. Our aim is to facilitate personal and professional development enabling employees to achieve their full potential at work.

• **Anti-slavery**

- Blackbird has a zero-tolerance approach to modern day slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery does not take place anywhere in our own business or supply chains.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 – continued**

- **Anti-bribery**

- Bribery is defined within the Bribery Act 2010 as the giving or receiving of a financial or other advantage in exchange for improperly performing a relevant function or activity. Under no circumstances is the giving, offering, receiving or soliciting of a bribe acceptable and we do not tolerate this in any form across our organisation.

- **Content availability**

- Blackbird lets you control where your content is stored and who can access it. Our software ensures that you can keep your high-resolution content stored locally or available to authenticated users through the cloud. This involves ease of sharing between individuals.

- **GDPR compliance**

- Blackbird is committed to ensuring the protection of all personal information that we hold. We fully recognise our obligations to meet the requirements of GDPR.

Governance

Corporate Governance Statement

The Board recognises that good corporate governance creates shareholder value and ensures strong attention to all stakeholder interests. This good corporate governance is a fundamental part of creating sustainable medium to long-term growth performance whilst minimising the risks that the Company faces. To that end, the Board complies with the Quoted Companies Alliance Corporate Governance Code ("**QCA Code**").

The Board has undertaken a review of its current governance practices with reference to the ten principles of the QCA Code, which was revised in November 2023 and having regard to the size, culture and complexity of the Company has disclosed in its statement on the Company website how it complies with the Code. Where the Company departs from certain aspects of the Code an explanation of the reasons for doing so are also disclosed. We will endeavour to evolve our corporate governance arrangements in line with our growth as a Company. The Statement is updated each year simultaneously with the publication of the Annual Report and Financial Statements.

In accordance with Rule 26 of the AIM Rules the Board has published the Company's corporate governance statement at www.blackbird.video/aim-rule-26-information/. The Statement was updated on 20 March 2026.

STRATEGIC REPORT

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of its business model and strategy, future developments, key performance indicators and principal risks and uncertainties including reference to financial instruments.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 – continued

BOARD AND COMMITTEE COMPOSITION

The roles, experience and skills of the Directors and secretary are as follows:

Director	Role	Experience and Skills
Yuri Hazanov	Non-Executive Director (appointed August 2024) and member of the Audit and Remuneration Committees	Brings a wealth of expertise in developing and scaling international businesses, extensive knowledge of partnerships across B2C and B2B sectors and a comprehensive understanding of the diverse business models that underpin success in the Creator Economy. Focus on business development and partnerships.
Nick Lisher	Non-Executive Director (appointed September 2024) and member of the Remuneration Committee	Senior growth marketing executive known for his expertise in community building, digital and data driven performance marketing, and innovative brand development. Has spearheaded growth across diverse industries, including music, fashion, technology, education, and health. Focus on performance marketing, growth and brand.
Ian McDonough	Executive Chair (from June 2025). Previously Chief Executive Officer (appointed September 2017)	Executive leadership experience in media sector, strong knowledge of international media markets, strong entrepreneurial orientation. Focus on driving growth and corporate value through having the right strategy and supporting execution capabilities.
Stephen Streater	R&D Director (appointed May 2016). Formerly Chairman (from October 2015 to May 2016) and Chief Executive Officer (from floating on AIM to October 2015)	Founder, 30 years specializing in the development of video compression and non-linear editing systems, architect of Blackbird Cloud Video Platform; focuses on R&D and product development strategy and execution. Long experience in public markets.
Stephen White	Chief Operating & Financial Officer (appointed April 2019)	Member of ICAEW, extensive experience in the media sector, business partnering, maximising shareholder return, M&A. Focus on financial management, corporate governance and executing the company's strategic vision.
Martin Kay	Company Secretary since February 2000.	<p>Corporate lawyer and Partner of Blake Morgan LLP, the Company's legal advisers. Martin provides both up-to-date legal and regulatory compliance advice in addition to transactional advice and preparation and review of shareholder communications.</p> <p>As an independent external consultant, the Company Secretary attends all shareholder meetings but does not attend meetings of the board and board committees. The Company's Chief Operating & Financial Officer remains responsible for circulating board and board committee papers and setting meeting agendas in consultation with the board and committee chairs and for induction of officers and staff.</p> <p>Martin reports direct to both Stephen White (Chief Operating & Financial Officer) and Ian McDonough (Chair) and provides a link with the Company's Nomad and Broker (Allenby Capital) and Registrars (Link Asset Services).</p>

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 – continued**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. The directors are required by the AIM Rules of the London Stock Exchange to prepare the financial statements in accordance with International Accounting Standards as adopted by the UK and in accordance with the Companies Act 2006.

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 and cash flows of the Company and the financial performance of the Company for that year. In preparing these financial statements, the directors are required to:

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they 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 auditors are aware of that information.

AUDITORS

As mentioned above it is our intention to put the audit out to tender during the summer of 2026. Post this process the result will be communicated to shareholders.

ON BEHALF OF THE BOARD:

S J White
Director
Date: 20 March 2026

**REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

As the Group is AIM registered it is not required by company law to prepare a Remuneration Report. However, in line with complying with the QCA code the information in this report has been provided on a voluntary basis.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Nick Lisher and Youri Hazanov. It is responsible both for setting salary levels and incentive programs at the senior management level, reviewing and approving material changes to salaries and incentive programs across the Company, and awarding Share Options to all employees of the Company. In the period since the last Directors' Report, it met once. Specific actions taken by the Committee since the date of the last Annual Report include the following:

- Approval of grants of share options and process

Directors' remuneration is disclosed in Note 3 of the Financial Statements.

The Remuneration Committee has determined that the issuing of share options and LTIP units to the Board are key for retention purposes but also aligned with shareholders' interests in driving shareholder value. All awards to Remuneration Committee members are assessed by an independent third party for reasonableness.

ARRANGEMENTS TO PURCHASE SHARES

According to the register of directors' interests, any movement in the rights to subscribe for shares in the Company granted to any other directors or their immediate families are indicated below:

**REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025 - continued**

	At start of year	Granted	Exercised	Lapsed	At end of year	Exercise price £	Market price on date of exercise £	Date from which exercisable	Expiry date
S B Streater	250,000				250,000	0.06	-	31/03/2020	30/03/2027
	480,000				480,000	0.0525	-	15/09/2021	14/09/2028
	300,000				300,000	0.0775	-	25/06/2022	24/09/2029
	340,000				340,000	0.16	-	19/12/2022	18/12/2029
	400,000				400,000	0.165	-	07/05/2023	06/05/2030
	200,000				200,000	0.103333	-	15/09/2026	14/09/2033
	200,000				200,000	0.0535	-	24/04/2027	23/04/2034
	200,000				200,000	0.058333	-	16/09/2027	15/09/2034
	300,000				300,000	0.028167	-	11/08/2028	10/08/2035
I McDonough	2,000,000				2,000,000	0.05375	-	15/09/2020	14/09/2027
	400,000				400,000	0.04	-	19/03/2021	18/03/2028
	1,180,000				1,180,000	0.0525	-	15/09/2021	14/09/2028
	300,000				300,000	0.0775	-	25/06/2022	24/09/2029
	1,250,000				1,250,000	0.16	-	19/12/2022	18/12/2029
	300,000				300,000	0.103333	-	15/09/2026	14/09/2033
	300,000				300,000	0.0535	-	24/04/2027	23/04/2034
	300,000				300,000	0.058333	-	16/09/2027	15/09/2034
	450,000				450,000	0.028167	-	11/08/2028	10/08/2035
S J White	500,000				500,000	0.0775	-	25/06/2022	24/09/2029
	500,000				500,000	0.16	-	19/12/2022	18/12/2029
	750,000				750,000	0.165	-	07/05/2023	06/05/2030
	200,000				200,000	0.103333	-	15/09/2026	14/09/2033
	200,000				200,000	0.0535	-	24/04/2027	23/04/2034
	200,000				200,000	0.058333	-	16/09/2027	15/09/2034
	300,000				300,000	0.028167	-	11/08/2028	10/08/2035
A I P N de Kerckhove	250,000			250,000	-	0.0535	-	24/04/2027	23/04/2034
	75,000			75,000	-	0.058333	-	16/09/2027	15/09/2034
Y Hazanov	250,000				250,000	0.058333	-	16/09/2027	15/09/2034
	50,000				50,000	0.028167	-	11/08/2028	10/08/2035
N M Lisher	250,000				250,000	0.058333	-	16/09/2027	15/09/2034
	50,000				50,000	0.028167	-	11/08/2028	10/08/2035

The market price of the shares at the year-end was 2.30p. The highest closing market price during the year was 6.0p and the lowest closing market price was 1.85p.

**Nick Lisher and Yuri Hazanov
Remuneration Committee**

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF BLACKBIRD PLC

Opinion

We have audited the financial statements of Blackbird Plc (the Company) for the year ended 31 December 2025 which comprise the Income Statement and Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows, the notes to the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed sufficient and appropriate audit work to be able to express an opinion on the financial statements. The scope of our audit of the Company’s financial statements involved obtaining an understanding of the Company and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Key audit matters

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

Key Audit Matters	How our scope addressed this matter
<p><i>Revenue recognition</i></p> <p>The company’s accounting policy in respect of revenue recognition is set out on page 33. £1,384,542 has been recognised in 2025 (2024: £1,607,673). Further details are included in note 2.</p> <p>We critically assessed the risk of material misstatement in the financial statements due to incorrect revenue.</p> <p>The company generates most of its revenue from software licensing agreements and minimum-guarantees against sales royalties. Software is licensed on a subscription basis where performance obligations are satisfied over the life of a license or event or production on a straight-line basis. Unless hardware or professional services are provided, the performance obligations are fulfilled on delivery.</p>	<p>We focused our work on those revenue streams that are most susceptible to the risk of material misstatement in the financial statements. Our work was focused on ensuring that revenue was recognised in accordance with the requirements of IFRS 15 and in the correct accounting period.</p> <p>Our work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • we reviewed the license agreements to provide evidence of the license terms and periods over which the service is provided; • we reviewed agreements with customers to understand license and usage performance obligations; • we substantively tested a sample of revenue to licensee agreements that provide evidence of license terms and periods over which service is provided; • we performed a sample of re-calculations to substantively test the cut-off and accuracy of

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BLACKBIRD PLC

<p>Minimum guarantees against sales royalties are recognised when they become due and are non-refundable.</p> <p>The key risk of material misstatement is whether revenue has been recognised appropriately in accordance with the requirements of IFRS 15 and in the correct accounting period.</p>	<p>license revenue streams over the period of the relevant contracts;</p> <ul style="list-style-type: none"> • we tested license and usage fees to supporting documentation and bank receipts as part of our tests of detail; • we evaluated the accounting policy in respect of revenue recognition to ensure it is compliant with IFRS 15; and • we reviewed the adequacy of the disclosures under IFRS 15 in the financial statements. <p>Based on the procedures performed, we were satisfied that revenue has been recorded appropriately in accordance with the requirements of IFRS 15 and the company's stated accounting policy.</p>
<p><i>Carrying value of intangible assets</i></p> <p>The company's accounting policy in respect of intangible assets is set out on page 35 and note 8 provides additional details.</p> <p>The company has £4,386,426 (2024: £3,831,607) of intangible assets as at 31 December 2025 of which £4,233,249 (2024: £3,678,430) relates to development costs, £90,000 (2024: £90,000) to licenses and £63,177 (2024 £63,177) to domains.</p> <p>We determined that there was a significant risk that the carrying value of intangible assets may be greater than its recoverable amount and that the carrying value of intangible assets may therefore be materially misstated.</p>	<p>Our audit work focused on evaluating and critically assessing the Directors' annual impairment assessment of the carrying value of intangible assets and determining whether the requirements of relevant financial reporting standards, including IAS 36, had been met.</p> <p>Our work included, but was not limited to:</p> <ul style="list-style-type: none"> - we obtained management's assessment of whether intangible assets were impaired; - we obtained board approved budgets and forecasts and critically assessed and challenged the assumptions and estimates in the budget; - we critically assessed and challenged the assumptions and estimates in management's impairment assessment; - we performed sensitivity analysis over the key assumptions and estimates; - we discussed progress of development with management to confirm the appropriateness of amounts capitalised in the year; and - we critically assessed management's assessment of the commercial feasibility of forecast future earnings to ensure that the relevant requirements of IAS 38 regarding capitalisation of development costs had been met. <p>Based on the procedures performed, we are satisfied the carrying value of intangible assets is appropriate and supportable when compared to its recoverable amount. The carrying value has been recorded in accordance with the stated accounting policy.</p>

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 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.

Due to the nature of the company and its activities, we concluded that the loss before tax was likely to be the main focus for the users of the financial statements; accordingly, our calculation of materiality used the loss before tax as the relevant benchmark. Based on our professional judgement, we determined overall materiality to be £195,000 based on 7.5% of the loss before tax (2024: £187,000 based on 7.5% of the loss before tax).

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BLACKBIRD PLC

On the basis of our risk assessments, together with our assessment of the overall control environment, we use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Our performance materiality was 50% (2024: 50%) of overall materiality, amounting to £97,500 (2024: £93,000).

We agreed to report to the Audit Committee all audit differences in excess of £9,750 (2024: £9,350), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- we critically assessed Directors' budgets and forecast for the years ending 31 December 2026 and 31 December 2027, respectively. This included considering whether the cash flow assumptions were consistent with our understanding of the business and its outlook;
- we evaluated the reasonableness of the assumptions used in these calculations including mitigating actions available to management to manage and control forecast cash burn levels;
- we critically assessed the reasonableness of the sales pipeline to obtain evidence of support for the forecast revenues;
- we critically assessed the availability and feasibility of cost reduction opportunities included within the Directors forecasts to preserve cash resources within the business. This included determining if these opportunities were within management control;
- we performed sensitivity analysis on the budget and cash flow forecast to determine how changes in the assumptions used could impact the overall cash position and the cash burn rate and therefore the company's ability to continue as a going concern; and
- we confirmed the proceeds received in January 2026 from share issues.

We observed, based on the work performed as set out above, that the assumptions used by the company in preparing their cash flow forecasts and budgets were reasonable and that the approach taken in determining forecast revenues as set out above was appropriate. We also concluded after performing the sensitivity analysis referred to above that the changes to the assumptions used did not appear to significantly impact the company's ability to continue in business for at least twelve months from the date of approval of the financial statements.

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 company'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 19, 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 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at <https://www.frc.org.uk/auditors/auditor-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>

This description forms part of our auditor's report.

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

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK adopted international accounting standards, the rules of the Alternative Investment Market, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and error and how it might occur, by holding discussions with management and those charged with governance.
- We designed and performed audit procedures over areas which in our professional judgment are susceptible to the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and error.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BLACKBIRD PLC

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

20 March 2026

Jeremy Read (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**
Income statement and statement of comprehensive income

	Notes	2025 £	2024 £
CONTINUING OPERATIONS			
Revenue	2	1,384,542	1,607,673
Cost of Sales		(169,847)	(141,973)
GROSS PROFIT		1,214,695	1,465,700
Other Income		56,691	2,000
Operating costs excluding LTIP provision and share option costs		(2,946,227)	(3,604,239)
ADJUSTED EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION, EMPLOYEE SHARE OPTION COSTS AND LTIP PROVISION (ADJUSTED EBITDA Pre LTIP and Share Option Costs)		(1,674,841)	(2,136,539)
Employee share option costs	17	(42,206)	(47,044)
LOSS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION (EBITDA)		(1,717,047)	(2,183,583)
Depreciation	9	(14,810)	(82,498)
Amortisation	8	(998,717)	(411,585)
		(1,013,527)	(494,083)
OPERATING LOSS	4	(2,730,574)	(2,677,666)
Net Finance income	5	131,736	259,928
LOSS BEFORE INCOME TAX		(2,598,838)	(2,417,738)
Income tax	6	(10,771)	70,887
LOSS FOR THE YEAR		(2,609,609)	(2,346,851)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,609,609)	(2,346,851)
Earnings per share expressed in pence per share:			
Basic – continuing and total operations	7	(0.62p)	(0.61p)
Fully diluted – continuing and total operations		(0.62p)	(0.61p)

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025	2024
	Notes	£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	4,386,426	3,831,607
Property, plant and equipment	9	6,636	17,655
		4,393,062	3,849,262
CURRENT ASSETS			
Trade and other receivables	10	563,491	732,375
Current tax assets	6	45,920	70,887
Short-term investments		607,881	607,376
Cash and bank balances		2,107,725	3,162,581
		3,325,017	4,573,219
TOTAL ASSETS		7,718,079	8,442,481
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Issued share capital	11	3,664,394	3,096,618
Share premium		36,368,981	34,980,224
Capital contribution reserve		125,000	125,000
Retained deficit		(33,223,961)	(30,656,558)
TOTAL EQUITY		6,934,414	7,545,284
CURRENT LIABILITIES			
Trade and other payables	12	783,665	877,197
TOTAL LIABILITIES		783,665	877,197
TOTAL EQUITY AND LIABILITIES		7,718,079	8,422,481

The financial statements were approved by the Board of Directors on 20 March 2026 and were signed on its behalf by:

I McDonough – Director

SJ White – Director

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Issued share capital £	Retained deficit £	Share premium £	Capital contribution reserve £	Total equity £
Balance at 1 January 2024	2,947,284	(28,356,751)	34,079,856	125,000	8,795,389
Changes in equity					
Issue of share capital	149,334	-	900,368	-	1,049,702
Share issue expenses	-	-	-	-	-
Share based payment	-	47,044	-	-	47,044
Total comprehensive loss for the year	-	(2,346,851)	-	-	(2,346,851)
Balance at 31 December 2024	3,096,618	(30,656,558)	34,980,224	125,000	7,545,284
Changes in equity					
Issue of share capital	567,776	-	1,561,387	-	2,129,163
Share issue expenses	-	-	(172,630)	-	(172,630)
Share based payment	-	42,206	-	-	42,206
Total comprehensive loss for the year	-	(2,609,609)	-	-	(2,609,609)
Balance at 31 December 2025	3,664,394	(33,223,961)	36,368,981	125,000	6,934,414

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash used in operations	A	(1,654,628)	(2,513,577)
Interest paid on lease liabilities		-	(70)
Tax received		70,889	108,704
Net cash used in operating activities		(1,583,739)	(2,404,943)
Cash flows from investing activities			
Payments for intangible fixed assets		(1,553,536)	(1,695,887)
Payments for property, plant and equipment		(3,791)	(20,719)
Transfer (into)/ from short-term investments		(505)	1,881,633
Interest received		130,181	402,825
Net cash (used in) / from investing activities		(1,427,651)	567,852
Cash flows from financing activities			
Share issues (net of expenses)		1,956,534	1,049,702
Payment of lease liabilities		-	(29,295)
Net cash from financing activities		1,956,534	1,020,407
Decrease in cash and cash equivalents		(1,054,856)	(816,684)
Cash and cash equivalents at beginning of year		3,162,581	3,979,265
Cash and cash equivalents at end of year		2,107,725	3,162,581

**NOTES TO STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

A. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH USED IN OPERATIONS

	2025 £	2024 £
Loss before income tax	(2,598,838)	(2,417,738)
Depreciation	14,810	82,498
Amortisation charges	998,717	411,585
Finance income	(131,736)	(259,928)
Loss before interest, taxation, depreciation and amortisation	(1,717,047)	(2,183,583)
Adjustment for Employee share option costs	42,206	47,044
Movements in working capital:		
Decrease in trade and other receivables	113,748	5,272
Decrease in trade and other payables	(93,535)	(382,310)
Cash used in operations	(1,654,628)	(2,513,577)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES

Company information

Blackbird plc is a public company limited by shares, incorporated in England and Wales. The registered office is Labs House, 15-19 Bloomsbury Way, London, WC1A 2TH

Basis of preparation

The financial statements have been prepared in accordance with International Accounting Standards as adopted by the UK, and in accordance with the Companies Act 2006. These accounts have been prepared under the historical cost convention.

Going concern

The Company made a loss after tax for the year of £2.61 million (2024: loss of £2.35million) and revenue decreased by 14% year on year. The majority of the fall in revenue can be attributed to deal losses in the Blackbird division as explained in the Financial Review (see Page 4). The larger loss was principally due to the beginning of amortisation of the elevate.io capitalized costs from February 2025 when the payment gateway went live. The Company continues to monitor and control its cost base and, due to a reduction in overheads during the year, reduced its cash burn by 20% compared to 2024 to £3.01 million.

In June 2025, the Company raised £2.1 million (pre expenses) with a further £0.5 million (pre expenses) raised in December 2025 (receipt of funds occurred post the year end in January 2026). The proceeds will be used to see elevate.io through its product market fit phase and step up marketing activity at the appropriate time. The Board is also very mindful of its cost base, which is closely monitored, and takes appropriate actions to ensure that elevate.io is well positioned to prove out its 'revenue engine' cost effectively. At 31 December 2025 the Company had £2.72 million (2024: £3.77 million) held in cash and short-term investments and no debt.

The Company starts the year with deferred revenue and order book of £1.22 million (2024: £1.83 million) in the Blackbird division, which is down 33% to prior year mainly due to one year less on our major contracts of EVS and the global financial news organisation. Contracted revenue for 2026 at 31 December 2025 was £0.87 million which is broadly similar to the position at 31 December 2024. The Board is forecasting the Blackbird division to be profitable again in 2026.

For elevate.io, the Board is pleased with the progress made during the year, with a number of new features and functionality being added to the platform including stock media, tokens, speech to text, AI images, in editor instant review, folders (which are the start of Digital Asset Management "DAM"), boundary boxing and post year end, subtitles integrated into the platform. Feedback from prospective customers and partners has been positive.

The Directors have prepared a budget for 2026 and forecast for 2027 for continued growth off a cost base which will continue to be closely managed to support this.

elevate.io is new to market and sales are currently unproven. Therefore, there is the risk that sales could be lower than the Director's forecasts. Recognising this risk, if elevate.io sales were lower than the 2026 budget and 2027 forecast, the Directors have prepared an Action Plan and forecasts with a lower level of sales. The Action Plan includes actions to reduce costs should this be required, including deferring development and reducing overheads costs in an appropriate timescale to reduce the cash requirements in order to ensure the continuity of the business for at least twelve months from the date of approval of the financial statements.

New and Revised Standards that are effective for the current year

In the current year, the Company has applied the following amendment to IFRS Accounting Standards issued by the IASB which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 21:
 - The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
 - The Company has adopted the amendments to IAS 21 for the first time in the current year.The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and have not yet been adopted:

- Amendments to IFRS 9 and IFRS 7
 - Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards – Volume 11
 - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows
- Amendments to IFRS 9 and IFRS 7
 - Contracts Referencing Nature-dependent Electricity
- IFRS 18
 - Presentation and Disclosures in Financial Statements
- IFRS 19
 - Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods

Revenue recognition

The primary source of revenue is in respect of the sale of Cloud-based professional video editing and publishing software. The product is sold using a software licensing and delivery model in which the software is licensed on a subscription basis. Performance obligations are satisfied over the life of a licence or event or production on a straight-line basis unless hardware or professional services are provided when the performance obligations are fulfilled on delivery.

Development fees are recognised when the work has been completed, any performance obligations have been met and the fees are non-refundable. Minimum guarantees against sales royalties are recognised when they become due and are non-refundable.

For elevate.io, the Company recognises subscription, additional user and storage fees based on the period that they relate to. Revenues relating to purchased tokens are recognised when the tokens have been spent on services within the platform.

For all types of revenue shown in the segmental analysis in Note 2 (page 37) the Company prices these based on agreed contracted fees with customers. These fees are agreed in advance and are based on the type of service being provided.

Income Tax

The company is entitled to claim special tax deductions for qualifying expenditure (i.e. Research and Development Tax Incentive regime in the UK). This is credited against the Income statement in the period to which it relates.

Segmental reporting

The company's products are delivered through an integrated web-based platform and the Board manages the business as a single business segment. In accordance with IFRS 8, information is presented based on the way in which financial information is reported internally to the chief operating decision maker and therefore the directors do not consider it to be meaningful to analyse the loss before tax or the net assets of the company further. Information regarding geographical revenues is disclosed in Note 2 (page 37) to the financial statements. In addition, revenue segments utilised internally have been disclosed distinguishing between target market and revenue type.

Property, plant and equipment

Depreciation is charged using the straight-line method to write off each asset over its estimated useful life.

Leasehold improvements	-	over the remaining lease term
Fixtures and fittings	-	2 years
Computer equipment & software	-	2 years
Client-facing equipment	-	2 years

Property, plant and equipment are stated at purchase cost less accumulated depreciation and any accumulated impairment

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

losses.

Impairment of assets

Assets that have an indefinite life are not subject to amortisation but are instead tested annually for impairment and are subject to additional impairment testing if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A review for indicators of impairment is performed annually. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment charge is recognised in the income statement in the year in which it occurs. When an impairment loss subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Intangible assets that are not yet available for use are tested every reporting period for impairment. Once assets are brought into use, amortisation commences and the carrying value of the assets are tested for impairment at every reporting period.

The value of the development costs and perpetual license which has an indefinite life are tested annually for impairment. At 31 December 2025 no impairment is deemed necessary.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. All the financial assets and liabilities are held at amortised cost. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Cash and cash equivalents

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at, or close to, their carrying values or traded in an active market. Liquid resources comprise term deposits redeemable within 3 months.

Short-term investments

Short-term investments are fixed term deposits or notice accounts redeemable between 90 days and within 12 months.

Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. The amounts are unsecured, non-interest bearing and are stated at cost.

Capital contribution reserve

The capital contribution is a distributable reserve which was created prior to the Company's flotation.

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Finance payments associated with financial liabilities are dealt with as part of interest payable and finance lease repayments. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either the accounting or taxable profit or loss. Deferred tax is determined using tax rates which have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Intangible assets

Expenditure on research is written off in the year in which it is incurred.

Development costs are also charged to the income statement in the year of expenditure except when individual projects satisfy the following criteria:

- the project is clearly defined;
- related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs will be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward. Development costs are carried forward in two categories; development of the underlying infrastructure which is amortised over ten years and development of professional products which are amortised over five years. The periods of amortisation for each of the categories has been calculated to reflect the relative speed of change in technology and market anticipated in each of the categories, and to reflect the periods of enhanced economic benefit to the Company as it moves into its growth phase. Amortisation is charged on a straight-line basis, starting from the date at which the product is available for use.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

The Company adopted IFRS16 in a previous reporting period and recognised a right of use asset and lease liability (see Note 9) for the Head Office lease contracted between 2019 and April 2024.

Since moving offices, the Company has entered into short-term office leases of 12 months or less which are treated as an operating expense in accordance with IFRS16.

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Share based payments

The share option programme allows employees to acquire shares of the Company. The fair value of equity settled through the options is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Critical accounting judgements and key sources of estimation and uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

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. Estimates have been used principally when determining the probable economic benefits to be derived from development expenditure and therefore whether those costs should be capitalised or whether there is subsequent evidence of impairment.

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives (see Intangible assets note above) and residual values of the assets. The useful economic lives of the intangible assets and residual values are re-assessed annually as part of the impairment review.

Carrying value of the intangible assets

The carrying value of the intangible asset of £4,386,426 comprises development costs recognised on the basis described in the accounting policy note above, a perpetual licence and domain costs for elevate.io which were both purchased. The development costs are amortised over the periods of enhanced benefit to the Company as it moves into its growth phase, from when the product is made available for use. The Board have conducted an impairment review with a view to identifying any redundancy and to ensure that the intangible asset is recoverable through the profit and loss account within a reasonable timeframe and is fully amortised by the time there are no future economic benefits expected to arise from its use or disposal.

The payment gateway for elevate.io was launched on 11 February 2025. Features and functionality continue to be added at pace to the platform and to date there has been no significant marketing of the platform. The market opportunity of elevate.io is huge, and was valued at \$6.9 billion by Wainhouse, an independent research company, in 2022. Management's discounted cash flow analysis on future elevate profits for 2026-2028 exceed the carrying value of the intangible asset for elevate.io at 31 December 2025.

Similar discounted cash flow analysis was performed on the Blackbird platform on future forecast profits for 2026-2028. The Blackbird division produced a positive EBITDA in 2025 and is forecast to continue to do the same going forwards.

The impairment review supported the conclusion that a recoverable amount of intangible assets is above the carrying value of the assets.

Critical accounting judgements and key sources of estimation and uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

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. Estimates have been used principally when determining the probable economic benefits to be derived from development expenditure and therefore whether those costs should be capitalised or whether there is subsequent evidence of impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
2. REVENUE RECOGNITION AND SEGMENTAL REPORTING

The primary source of revenue is in respect of the sale of Cloud native professional video editing software. The product is sold using a software licensing and delivery model in which the software is licensed on a subscription basis. Performance obligations are satisfied over the life of a licence or event or production on a straight-line basis unless hardware or professional services are provided when the performance obligations are fulfilled on delivery.

Licence and usage fees are recognised according to the period that they relate to. Payments for usage fees are normally received within 30 days after the period. Licence fees are normally due within 30 days of the invoice date for the subscription period that they relate to, which is typically a 12-month period. Revenue relating to future periods is booked against deferred income until it falls due at which point it is recognised in the Income statement.

Hardware sales and professional services are recognised on delivery of the goods and services. Payments are typically received in advance and held as deferred revenue until performance obligations are fulfilled.

The Company also generates revenue from licensing its technology under the 'Powered by Blackbird' brand. Revenue is recognised as detailed in the policy on page 33. Payments are normally received 30 days after they fall due. There are five types of revenue shown in the segmental analysis on page 38.

Contract assets

There were no contracted assets at 31 December 2025 (2024: Nil).

Contract liabilities

	2025 £	2024 £
Deferred revenue at 1 January	514,792	569,791
Net (decrease)/ increase in invoiced sales deferred in the year	(77,759)	(54,999)
Deferred revenue at 31 December	437,033	514,792

The change in the value of contract liabilities is the result of a decrease in invoiced sales for 2025 at 31 December 2025 compared to the prior year comparative. Annual licence fees on direct sales to customers are due upfront and released to the Income statement over the period that they relate to.

The company manages three separate business units. Corporate costs which relate to items such as the Board of Directors, office building, the Company's listing, insurance are being monitored separately.

Further information is presented in respect of the geographical areas in which the company operates. The operations of each of the Company's geographical areas are separately disclosed because of the different economic environments in which they operate, and this information is regularly reviewed by the Chief Financial Officer but do not constitute separate business units under IFRS 8.

Revenue represents externally generated amounts (excluding value added tax) derived from the principal activity and has been earned from the following geographic areas:

	2025 £	2024 £
UK	173,534	240,396
North America	853,827	876,030
Europe	356,895	430,690
Rest of World	286	60,557
Total	1,384,542	1,607,673

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
2. REVENUE RECOGNITION AND SEGMENTAL REPORTING - Continued

An analysis of the Company's significant categories of revenue, all of which relate to the Company's sole activity of the commercial exploitation of a Cloud video editing platform, is as follows:

	2025	2024
	£	£
News	633,004	623,953
Sport	278,573	379,967
Other Entertainment	185,321	265,333
Other (elevate.io)	18,758	-
Powered by Blackbird	268,886	338,420
Total	1,384,542	1,607,673
In addition by revenue type:	2025	2024
	£	£
Licence and usage fees	1,115,656	1,271,804
Royalties from licensing	268,886	216,152
Professional services	-	22,584
Development Fees	-	97,133
Total	1,384,542	1,607,673

Reconciliation of information on business units to the amounts reported in the financial statements:

	2025	2025	2025	2025
	Blackbird Platform	elevate.io	Corporate	Total
	£	£	£	£
Revenues	1,365,784	18,758	-	1,384,542
ADJUSTED EBITDA				
Pre LTIP and Share	705,918	(1,358,965)	(1,021,794)	(1,674,841)
Option Costs				
Profit / (Loss) before				
tax	377,550	(2,039,528)	(936,860)	(2,598,838)
Total Assets	936,168	3,659,790	3,122,121	7,718,079
Total Liabilities	565,668	57,281	160,716	783,665
	2024	2024	2024	2024
	Blackbird Platform	elevate.io	Corporate	Total
	£	£	£	£
Revenues	1,607,673	-	-	1,607,673
ADJUSTED EBITDA				
Pre LTIP and Share	492,415	(1,442,602)	(1,186,352)	(2,136,539)
Option Costs				
Loss before tax	22,701	(1,466,616)	(973,823)	(2,417,738)
Total Assets	1,639,592	2,457,408	4,325,483	8,422,483
Total Liabilities	627,614	153,495	96,089	877,198

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
3. EMPLOYEES AND DIRECTORS

	2025 £	2024 £
Wages and salaries	2,910,202	3,509,519
Social security costs	342,551	421,059
Employers pension contributions	75,147	90,132
	3,327,900	4,020,710

After capitalisation in respect of development costs the following amounts were charged directly to the income statement:

	2025 £	2024 £
Wages and salaries	1,465,723	2,027,672
Social security costs	234,652	241,352
Employers pension contributions	75,147	55,799
	1,775,522	2,324,823

The average monthly number of full-time equivalent employees during the year was as follows:

	2025	2024
Directors	6	3
Research and development	15	20
Sales	0	1
Product, Operations and Customer support	5	9
Marketing	2	2
Admin and finance	1	1
	29	36

Directors' remuneration and benefits:

	2025 £	2025 £	2025 £	2025 £	2024 £	2024 £	2024 £	2024 £
	Remuneration	Pension	Benefits	Total	Remuneration	Pension	Benefits	Total
I McDonough	203,000	6,090	3,227	212,317	203,000	6,090	2,715	211,805
S B Streater	175,000	5,250	4,282	184,532	175,000	5,250	3,523	183,773
S J White	140,000	4,200	1,611	145,811	140,000	4,200	1,337	145,537
A I P N de Kerckhove	21,000	-	-	21,000	27,500	-	-	27,500
Y Hazanov	30,000	-	-	30,000	11,385	-	-	11,385
N Lisher	30,000	-	-	30,000	8,769	-	-	8,769
A Bentley	-	-	-	-	30,000	-	822	30,822
D E Airey	-	-	-	-	8,333	-	-	8,333
J K Honeycutt	-	-	-	-	4,999	-	-	4,999
	599,000	15,540	9,120	623,660	608,986	15,540	8,397	632,923

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

4. OPERATING LOSS

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

	2025 £	2024 £
Foreign exchange differences	4,958	5,103
Research and development	(1,553,536)	(1,695,887)
Auditor's remuneration	(51,000)	(50,000)
<u>Auditor's remuneration – non audit – all other services</u>	<u>(28,050)</u>	<u>(27,500)</u>

5. NET FINANCE INCOME

	2025 £	2024 £
Finance income:		
Deposit account interest	131,736	259,998
Finance costs:		
Interest on lease liability	-	(70)
<u>Net finance income</u>	<u>131,736</u>	<u>259,928</u>

6. INCOME TAX

	2025 £	2024 £
Current tax:		
Tax credit	-	70,887
Notional tax expense on RDEC credit	(10,771)	-
<u>Total (expense) / tax credit in income statement</u>	<u>(10,771)</u>	<u>70,887</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
6. INCOME TAX - Continued
Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2025 £	2024 £
Loss on ordinary activities before tax	(2,598,838)	(2,417,738)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2024 –25%)	(649,709)	(604,435)
Effects of:		
Expenses not deductible for tax	290	1,038
Depreciation (in excess of)/lower than capital allowances	2,566	9,276
Non-trade interest expense	-	17
UK Tax losses	557,879	532,705
Additional relief for R&D expenditure	-	(81,941)
Timing difference on capitalised development costs	76,976	(47,721)
Adjustment for R&D Tax Credit rate	-	106,333
Notional Tax expense on RDEC	10,771	-
Staff Costs Adjustment	11,998	13,841
Total income tax	10,771	(70,887)

Due to changes in Government rules, the SME tax credit scheme was merged into the RDEC tax credit scheme for all accounting periods beginning after 1st April 2024. In 2024 and prior accounting periods the Company applied for the SME tax credit but in line with the new regulations will apply for an RDEC tax credit of £56,691 for the accounting period beginning 1 January 2025. The RDEC tax credit is shown in Other Income on the Statement of Comprehensive Income and is subject to a notional tax charge. The notional tax expense can be used to offset future corporation tax profits and is offset against the RDEC tax credit to show a current tax asset receivable of £45,920. In 2024 and prior years the SME tax credit was shown as a credit to Income Tax on the Statement of Comprehensive Income.

Tax effects relating to Employee Share Option costs

	Gross	2025 £	Tax	Net
Employee share option cost	(42,206)	-	(42,206)	
		2024 £		
Employee share option cost	(47,044)	-	(47,044)	

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
6. INCOME TAX – Continued

UK Tax losses of approximately £31,443,731 (2024: £29,212,000) are available to relieve against future profits of the Company.

	2025 £	2024 £
Unrecognised deferred tax assets		
Tax losses carried forward	7,860,933	7,303,000
	<u>7,875,105</u>	<u>7,303,000</u>

2025 unrecognised deferred tax asset is calculated at a rate of 25% (2024: 25%) of UK tax losses.

In accordance with IAS 12 the deferred tax assets have not been recognised due to the uncertainty of the timing of future taxable profits to enable recovery of these assets.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding equity shares held by the company's Employee Share Ownership Plan.

	2025	2024
Loss attributable to equity holders of the company (£)	(2,609,609)	(2,346,851)
Weighted average number of ordinary shares in issue	417,882,009	383,784,951
Basic earnings per share (pence per share)	<u>(0.62p)</u>	<u>(0.61p)</u>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume the conversion of all potential ordinary shares. The company's potential ordinary shares arise from share options. The share options calculation is performed to determine the number of shares that could have been acquired at fair value, based upon the monetary value of the subscription rights attached to the outstanding share options.

	2025	2024
Loss used to determine diluted earnings per share (£)	(2,609,609)	(2,346,851)
Weighted average number of ordinary shares in issue	417,882,009	383,784,951
Share options	25,495,000	26,855,000
Weighted average number of ordinary shares used to determine diluted earnings per share	443,377,009	393,071,821
Diluted earnings per share (pence per share)	<u>(0.59p)</u>	<u>(0.57p)</u>

As can be seen from the above table for both years the potential ordinary shares were anti-dilutive because the company was loss-making.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
8. INTANGIBLE ASSETS

	Development costs £	Licences £	Domain £	Totals £
COST				
At 1 January 2025	8,138,988	90,000	63,177	8,292,165
Additions	1,553,536	-	-	1,553,536
Write off	(492,969)			(492,969)
At 31 December 2025	9,199,555	90,000	63,177	9,352,732
AMORTISATION				
At 1 January 2025	4,460,558	-	-	4,460,558
Amortisation for year	998,717	-	-	998,717
Write off	(492,969)			(492,969)
At 31 December 2025	4,966,306	-	-	4,966,306
NET BOOK VALUE				
At 31 December 2025	4,233,249	90,000	63,177	4,386,426
At 31 December 2024	3,678,430	90,000	63,177	3,831,607
COST				
	Development costs £	Licences £	Domain £	Totals £
At 1 January 2024	6,443,101	90,000	63,177	6,596,278
Additions	1,695,887	-	-	1,695,887
At 31 December 2024	8,138,988	90,000	63,177	8,292,165
AMORTISATION				
At 1 January 2024	4,048,973	-	-	4,048,973
Amortisation for year	411,585	-	-	411,585
At 31 December 2024	4,460,558	-	-	4,460,558
NET BOOK VALUE				
At 31 December 2024	3,678,430	90,000	63,177	3,831,607
At 31 December 2023	2,394,128	90,000	63,177	2,547,305

The company has purchased a perpetual licence to use a third-party's software on its servers. During the year the Company wrote off fully amortised balances relating to previous products, Eva and Captevate, which are no longer in service.

The carrying values of the intangibles were assessed for impairment with no impairment deemed necessary (see page 36).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
9. PROPERTY, PLANT AND EQUIPMENT

	Right of use asset	Leasehold Improvements	Fixtures and Fittings	Computer Equipment & Software	Client-facing IT Equipment	Totals
COST	£	£	£	£	£	£
At 1 January 2025	-	-	-	134,490	121,021	255,511
Additions	-	-	-	3,791	-	3,791
Retirement of assets/Disposal	-	-	-	(11,135)	-	(11,135)
At 31 December 2025	-	-	-	127,146	121,021	248,167
DEPRECIATION						
At 1 January 2025	-	-	-	122,466	115,390	237,856
Charge for year	-	-	-	10,353	4,457	14,810
Retirement of assets	-	-	-	(11,135)	-	(11,135)
At 31 December 2025	-	-	-	121,684	119,847	241,531
NET BOOK VALUE						
At 31 December 2025	-	-	-	5,462	1,174	6,636
At 31 December 2024	-	-	-	12,024	5,631	17,655
COST						
	Right of use asset	Leasehold Improvements	Fixtures and Fittings	Computer Equipment & Software	Client-facing IT Equipment	Totals
COST	£	£	£	£	£	£
At 1 January 2024	431,988	103,874	81,963	124,238	115,409	857,472
Additions	-	3,198	-	10,252	5,612	19,062
Retirement of assets/Disposal	(431,988)	(107,072)	(81,963)	-	-	(621,023)
At 31 December 2024	-	-	-	134,490	121,021	255,511
DEPRECIATION						
At 1 January 2024	405,032	103,597	76,979	89,719	103,952	779,279
Charge for year	26,956	3,475	4,985	32,747	11,438	79,601
Retirement of assets	(431,988)	(107,072)	(81,964)	-	-	(621,024)
At 31 December 2024	-	-	-	122,466	115,390	237,856
NET BOOK VALUE						
At 31 December 2024	-	-	-	12,024	5,631	17,655
At 31 December 2023	26,956	277	4,984	34,519	11,456	78,192

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
9. PROPERTY, PLANT AND EQUIPMENT - Continued
Office Building

During 2019 the Company entered into a non-cancellable lease for a period of five years. The Company recognised a right-of-use asset and a lease liability of £431,988 at the lease commencement date. The right-of-use asset was measured at cost, which comprised the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset was subsequently depreciated using the straight-line method over the five-year lease term. The lease liability was initially measured at the present value of the lease payments that were not paid at the commencement date discounted at an estimate of the Company's incremental borrowing rate. The lease liability expired in April 2024.

New Office

In December 2023, the Company entered into a lease agreement for a new offices starting 1st of April 2024. This lease has subsequently been extended with all lease terms being less than 12 months. Lease payments are recognised as expenses over the lease term. At 31 December 2025, the liability for 2026 was £50,505. See Leasing agreements note 13.

10. TRADE AND OTHER RECEIVABLES

	2025 £	2024 £
Current:		
Trade debtors	407,627	597,809
Other debtors	60,021	49,083
Accrued income	2,376	3,609
Prepayments	93,467	81,874
	563,491	732,375

Included in other debtors is a rental deposit of £16,884 (2024: £16,080) which is subject to a charge.

The average credit period on trade sales is 41 days. Standard credit terms are 30 days but vary by individual contract. Included within trade debtors are balances totalling £397,603 (2024: £321,150) which are beyond agreed credit terms but are not subject to impairment. Cash receipts for the whole trade debtor balance at 31 December 2025 has been received post year end.

11. CALLED UP SHARE CAPITAL
Called up and fully paid:

	2025 £	2024 £
At 1 January	3,096,618	2,947,284
Issue of ordinary share capital	567,776	149,334
At 31 December	3,664,394	3,096,618

At 31 December 2025, the company had 458,049,306 ordinary shares (31 December 2024: 387,077,188) of 0.8p each.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

11. CALLED UP SHARE CAPITAL – Continued

During the year the Company issued 3,095,000 (2024 – 5,305,000) share options under the terms of the share option schemes. The total share options outstanding as at 31 December 2025 was 25,495,000 (2024: 26,855,000).

The directors who held office during the year held the following options to subscribe for shares in the Company:

	Class of share	31/12/2025	31/12/2024
SB Streater	Ordinary shares of 0.8 pence	2,670,000	2,370,000
I McDonough	Ordinary shares of 0.8 pence	6,480,000	6,030,000
SJ White	Ordinary shares of 0.8 pence	2,650,000	2,350,000
A I P N de Kerckhove	Ordinary shares of 0.8 pence	-	325,000
Y Hazanov	Ordinary shares of 0.8 pence	300,000	250,000
N M Lisher	Ordinary shares of 0.8 pence	300,000	250,000

12. TRADE AND OTHER PAYABLES

	2025 £	2024 £
Current:		
Trade creditors	75,355	45,021
Social security and other taxes	119,272	166,487
Other creditors	11,167	12,186
Deferred income	437,033	514,792
Accruals	140,838	138,711
	<u>783,665</u>	<u>877,197</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

12. TRADE AND OTHER PAYABLES – Continued

LTIP Provision

The Company put a Long Term Incentive Plan (LTIP) in place during 2019 which was approved at the 2019 AGM. Details of the scheme can be found under the Investors section on the Company’s website. Under the scheme, a maximum of 5,000 LTIP1 units and 5,000 LTIP2 units can be issued during an LTIP period.

Each LTIP unit has the right to receive the value from its respective LTIP pool divided by 5,000.

The value of each LTIP pool is calculated 30 days after the date of the announcement of the Company’s full year audited results for its Financial Year ending at the LTIP period end date. The value is equal to 5% of the total increase in the Company value above the hurdle value applicable to that pool.

The Company value is calculated by taking the Share Price multiplied by the number of Shares in issue on a fully diluted basis (as if all outstanding vested options had been exercised) at the applicable calculation date.

The hurdle value for each LTIP pool is the hurdle price multiplied by the number of Company shares in issue on a fully diluted basis at the applicable calculation date.

No awards have been made for the third LTIP period. Accordingly, there was no charge to the income statement in the period (2024: £nil) and the value of the LTIP provision at 31 December 2025 was £nil (31 December 2024 £nil).

At the 2024 AGM, shareholders approved the scheme to run for a further 3 years from 1 January 2025 to 31 December 2027. Subsequently, as previously announced, the Remuneration Committee set the price of LTIP1 and LTIP units for the new LTIP period at 15 pence per share and 20 pence per share respectively.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable leases fall due as follows:

	31 December 2025 £	31 December 2024 £
In the next 12 months	50,505	20,100

Details of the current Head Office building lease can be found in Note 9.

14. FINANCIAL ASSETS AND LIABILITIES

The Company’s financial assets and liabilities comprise trade debtors, trade creditors, cash, liquid assets and short-term investments.

The Company has not entered into any derivative or other hedging instruments.

The Company’s policy is to finance its operation and expansion through the issue of equity share capital.

Financial assets comprise cash at bank and in hand and short-term investments. Short-term investments are fixed-term deposits with terms less than twelve months. These are held with reputable banks where the credit rating is assessed before depositing. The fair value of the financial assets and financial liabilities are not materially different from their carrying values.

All of the financial assets and liabilities are held at amortised cost therefore detailed analysis is not required.

Further details of the Board’s assessment of its risks are included in the strategic report on pages 10-11.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

15. RELATED PARTY DISCLOSURES

Premier Miton Group plc ("Premier Miton"), a substantial shareholder, participated in a placing of new ordinary shares that was announced on 3 July 2025. Premier Miton subscribed for 11,000,000 new ordinary shares at a price of 3p per new ordinary share.

Ian McDonough (Executive Chair) and Stephen White (Chief Operating and Financial Officer), participated in a subscription for new ordinary shares that was announced on 3 July 2025. Ian McDonough (Chief Executive) subscribed for 2,666,666 new ordinary shares at a price of 3p per new ordinary share. Stephen White subscribed for 500,000 new ordinary shares at a price of 3p per new ordinary share.

In early 2025, Nick Lisher (Non-Executive Director) was contracted by the Company to conduct marketing consultancy services for which he was paid fees of £15,850 over and above his fees for Non-Executive services included in Note 3.

16. ULTIMATE CONTROLLING PARTY

At 31 December 2025 there was no ultimate controlling party of the Company.

17. SHARE-BASED PAYMENT TRANSACTIONS

The Company believes that share ownership by executive directors and key staff strengthens the link between their personal interests and those of the shareholders. Since 2012 it has operated an Enterprise Management Incentive (EMI) share option scheme under which both tax advantaged and non-tax advantaged options have been granted. For all options, the exercise price is the market value of the share at the date of the grant. Options are granted to individual employees and directors. Options vest three years after the date of grant on condition that the recipient is still an employee or director of the Company. The Directors are permitted to determine that options which might otherwise lapse may remain exercisable for a period up to 10 years from the date of grant. This confers discretion on the Directors to agree extended dates for exercise of options in certain limited circumstances, where the option-holder would otherwise cease to be eligible to exercise the options, if the Directors consider it to be in the best interests of the Company to do so. Options are exercisable within seven years of vesting. All options are equity settled.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
17. SHARE-BASED PAYMENT TRANSACTIONS – Continued

Exercise price (£)	Date granted	Range of dates exercisable	Number of shares for which rights are exercisable at	
			31/12/2025	31/12/2024
EMI				
0.0825	11/05/2015	11/05/2018-10/05/2025	-	100,000
0.05875	18/11/2015	18/11/2018-17/11/2025	-	2750,000
0.085	07/06/2016	07/06/2019-06/06/2026	220,000	320,000
0.06	31/03/2017	31/03/2020-30/03/2027	950,000	1,150,000
0.05375	15/09/2017	15/09/2020-14/09/2027	2,000,000	2,000,000
0.04	19/03/2018	19/03/2021-18/03/2028	1,150,000	1,225,000
0.0525	15/09/2018	15/09/2021-14/09/2028	2,340,000	2,540,000
0.0593	31/10/2018	31/10/2021-30/10/2028	100,000	100,000
0.0775	25/06/2019	25/06/2022-24/06/2029	1,530,000	1,960,000
0.16	19/12/2019	19/12/2022-18/12/2029	3,000,000	3,405,000
0.16	07/05/2020	07/05/2023-06/05/2030	1,860,000	2,215,000
0.1854	26/06/2020	26/06/2023-25/06/2030	-	250,000
0.185	09/10/2020	09/10/2023-08/10/2030	500,000	850,000
0.23917	20/04/2021	20/04/2024-19/04/2031	515,000	555,000
0.315	21/10/2021	21/10/2024-20/10/2031	430,000	470,000
0.1675	04/05/2022	04/05/2025-03/05/2032	500,000	500,000
0.16	20/06/2022	20/06/2025-19/06/2032	1,000,000	1,000,000
0.069167	15/06/2023	15/06/2026-14/06/2033	800,000	1,085,000
0.103333	15/09/2023	15/09/2026-14/09/2033	1,510,000	1,780,000
0.07	22/11/2023	22/11/2026-21/11/2033	60,000	75,000
0.0535	24/04/2024	24/04/2027-23/04/2034	1,880,000	2,440,000
0.058333	16/09/2024	16/09/2027-15/09/2034	2,320,000	2,635,000
0.028167	11/08/2025	11/08/2028-10/08/2035	2,850,000	-
0.024833	13/10/2025	13/10/2028-12/10/2035	135,000	-

The number and weighted average exercise prices of share options are as follows:

	2025 Weighted average exercise price (£)	2025 Number of options	2024 Weighted average exercise price (£)	2024 Number of options
Outstanding at the beginning of the period	0.103	26,855,000	0.116	26,015,000
Granted during the period	0.028	3,095,000	0.056	5,305,000
Forfeited during the period	0.096	(4,180,000)	0.109	(3,515,000)
Lapsed during the period	0.067	(275,000)	0.206	(950,000)
Outstanding at the end of the period	0.094	25,495,000	0.103	26,855,000
Exercisable at the end of the period	0.115	16,095,000	0.113	17,415,000

The options outstanding at the year-end have an exercise price in the range of £0.0248 to £0.315 and a contractual life of ten years.

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
17. SHARE-BASED PAYMENT TRANSACTIONS – Continued

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes approximation model.

The management estimate for time from grant to exercise is four years, based on the volatility of shares. The contractual life of options in issue is ten years. Management also estimate that 50% of the options will lapse prior to vesting. The expected volatility is based on the daily fluctuation in the share price in the two years preceding the date of grant.

Details of the valuation of the share options granted in the current and prior year are as follows:

	2025	2024
Expected volatility (expressed as % used in the modelling under Black-Scholes model)	72.23%	55.94%
Option life (expressed as weighted average life used in the modelling under Black-Scholes model)	4	4
Expected dividends	0%	0%
Risk free interest rate (based on national government bonds)	4.63%	3.99%
Weighted average fair value of options granted	£0.02802	£0.0559
Weighted average share price	£0.016060	£0.030285

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received. There are no market conditions associated with the share option grants. The total expense recognised for the period arising from share-based payments are as follows:

	2025 £	2024 £
Equity settled share based payment charge	42,206	47,044

18. POST BALANCE SHEET EVENT

Since the end of the year, the Company has received c.£0.47m funds from a recent subscription which was announced in December 2025.