zilch

Zilch Holdings Limited
2026 Annual Report

2026



Zilch Holdings Limited

Registration number:
11887457

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London, SW1W 0SR
United Kingdom



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Governance

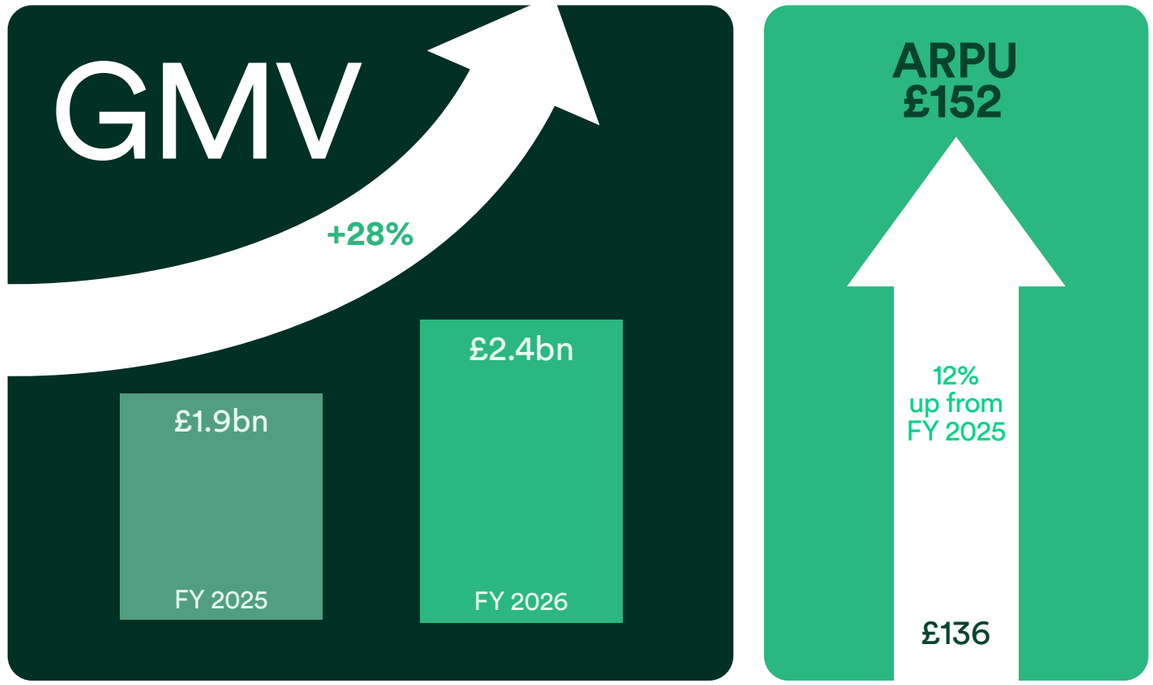
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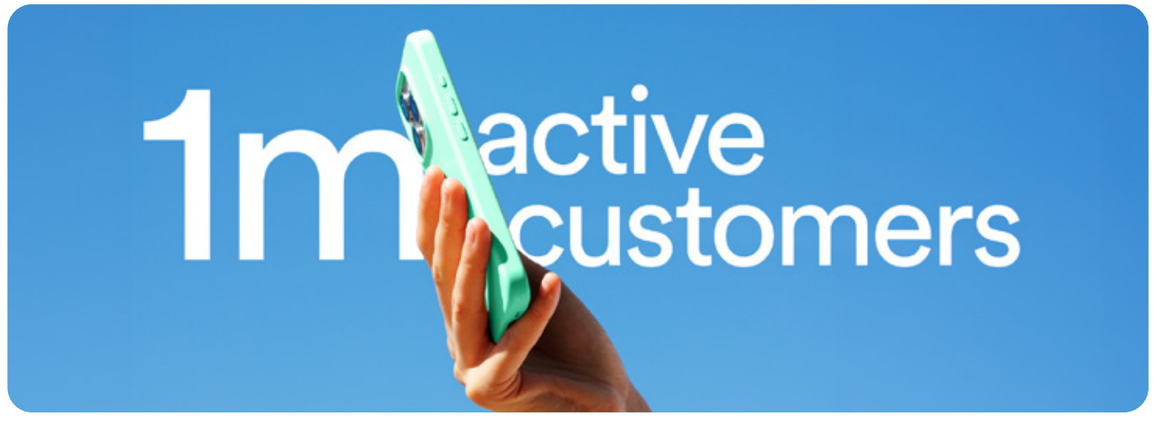
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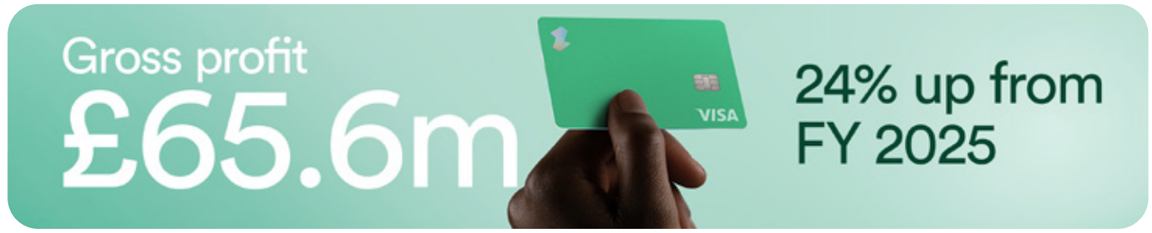




Gross profit margin

44.5%





Revenue

£147.5m

Revenue take rate

6.34%

up 36bps from FY 2025

UK's Top 5 Fastest-Growing $1bn+ Tech Company by The Sunday Times Tech 100

Deloitte's 2025 UK Technology Fast 50

Our vision

Zilch is building a financial services company designed from the ground up. We set out to bring value to all consumers by developing merchant-enabled products and services that create a win for consumers and a win for merchants.

For years, consumer finance has been built around a simple trade-off: the consumers with the fewest options often face the highest costs, while the best products, rewards and experiences remain available only to a narrow segment of the market. Zilch exists to break that trade-off.

What Zilch has built is something consumer finance has never truly seen – a merchant-subsidised consumer lending product for the mass market, with the benefits to consumers growing as the platform scales. Our model increasingly inverts who pays. Rather than relying only on consumer fees, merchants help fund the proposition because Zilch delivers measurable value to them in consumer demand, sales conversion and customer acquisition. This enables us to progressively reduce the cost of consumer credit while deepening the value we deliver to customers. As engagement compounds, our proprietary data and AI capabilities create increasing value for both consumers and merchants, while economies of scale continue to reduce the cost of delivery.

The more customers Zilch brings on, the more attractive the platform becomes to merchants. The more merchants compete for that audience, the more value flows from merchants to consumers. This flywheel compounds over time, enabling us to deliver better products, greater value and lower costs at increasing scale.

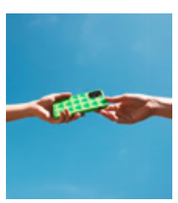
The point is simple: to democratise access to world-class financial products and, in doing so, save people both time and money on every transaction. By aligning the interests of consumers, merchants and Zilch, we believe it is possible to eliminate the cost of consumer credit over time. We believe the structure of modern consumer finance was built on the assumption that exclusion is profitable. Zilch is proving that a different choice is possible – one where quality rises as cost falls, where value is shared more fairly across the ecosystem, and where exceptional financial products are accessible to everyone.





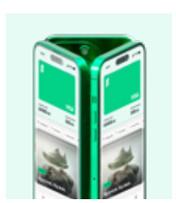
2018

- Zilch was founded with a vision to build a regulated, direct-to-consumer payments and credit platform.



2019

- Launch of Pay over 6 weeks product.



2020

- Financial Conduct Authority (FCA) authorisation granted for consumer credit.
- Early capital raised to support platform development.



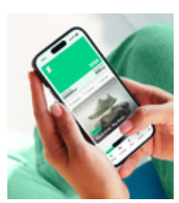
2021

- Launch of Zilch App.
- 1 million registered customers.
- Strategic funding partnerships established, including Goldman Sachs debt facility to support scalable lending.
- Continued capital raised to accelerate growth supporting scalable lending capacity.



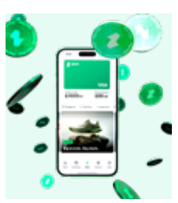
2022

- Zilch achieved a positive net transaction margin, marking important progress towards sustainable unit economics.



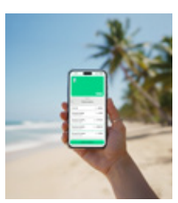
2023

- Partnership with StepChange to support strong consumer outcomes.



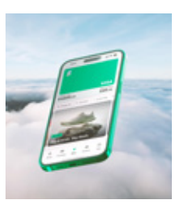
2024

- Zilch Up and Classic launched, increasing accessibility of credit.
- Monthly GMV exceeded £200m, demonstrating platform scale.
- Pay over 3 months and Zilch X launched, expanding product capability and monetisation.
- Initial securitisation programme led by Deutsche Bank and two global credit funds established.



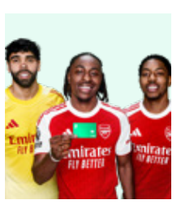
2025

- 5 million registered customers.
- Recognised as the UK's fastest-growing tech unicorn.
- Inaugural Zilch Summit held alongside the launch of Intelligent Commerce to enhance merchant value and attribution.



2026

- Apple Pay, Pay by Bank and physical cards launched enhancing platform capability and unit economics.
- FCA payments licence secured, marking a major strategic milestone in expanding Zilch's regulatory footprint.
- Memberships launched, driving loyalty, engagement and customer lifetime value.
- Strategic partnership with Arsenal Football Club becoming its "Official Way to Pay".
- Agreement signed to acquire AB Fjord Bank enabling European expansion.
- Securitisation upsized to £200m committed facility, supporting £4bn annual GMV capacity.
- Continued capital raised to support growth.
- Pay Monthly launched in April 2026, supporting longer-duration lending and higher customer lifetime value.
- Zilch Advance launched in May 2026, broadening flexible credit offerings.



Our products

Core Payments & Acceptance

Spend anywhere, seamlessly with Zilch

Visa Migration & Flex Introduction

We migrated all customers to Visa, enhancing our merchant subsidisation through Visa Flex by improving interchange economics within our merchant network.

Physical Card Launch

We launched a physical card, further extending Zilch into high frequency, offline GMV and promoting top of wallet usage. This adds familiarity and trust, making Zilch a natural choice across all customer segments.

Apple Pay Integration

We deepened our integration with Apple Pay, enabling customers to choose how they pay with Zilch directly within their wallet, embedding control at the point of purchase.

Pay by Bank Convenience

We partnered with Plaid to introduce Pay by Bank, giving customers a simple and direct way to repay from their preferred accounts, improving convenience while enhancing our margin profile.

Flexible Credit & Cash Flow

Pay Monthly

In April 2026, we soft-launched Pay Monthly (6 and 12 months), enabling customers to spread the cost of larger purchases and unlocking new spending categories, increasing share of wallet.

Snooze Evolution

We evolved Snooze into a more adaptive repayment experience, allowing customers to authorise Zilch to intelligently adjust schedules in line with their cash flow, reducing friction and helping maintain account health.

Smart Settings

We introduced Smart Settings, giving customers control over how their card behaves by default, while enabling a more automated and intelligent repayment experience that works seamlessly in the background.

Engagement, Value & Network

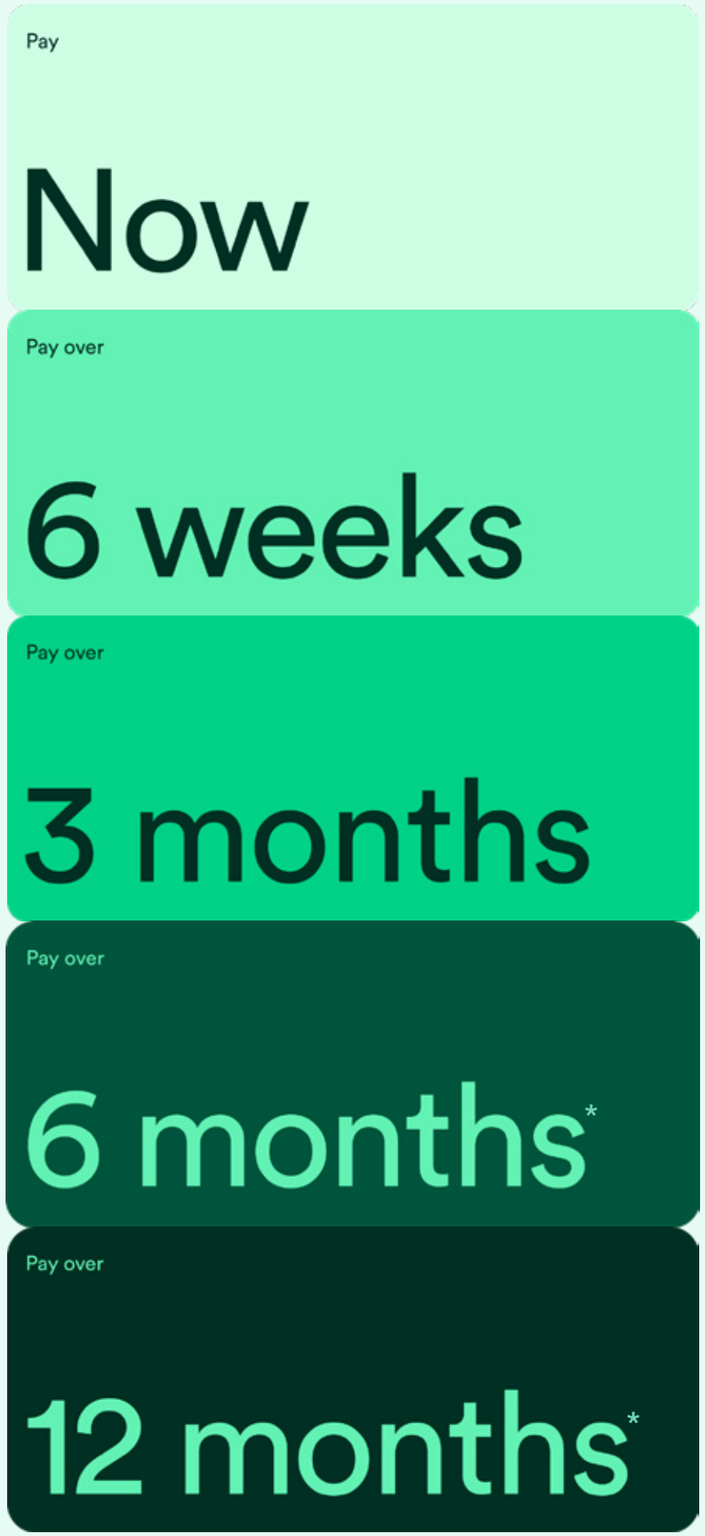
Value that compounds across our network

Membership Tiers

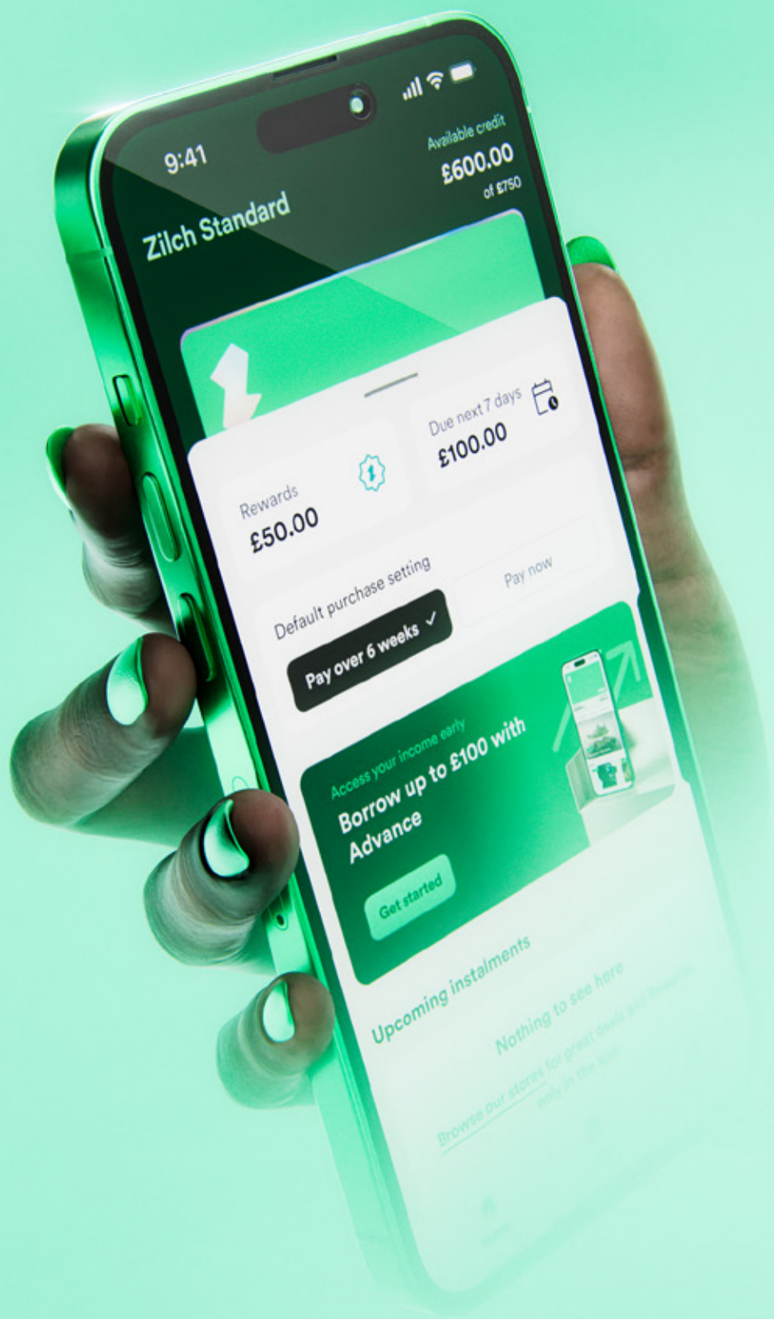
We launched paid membership tiers, offering enhanced value, flexibility, and lifestyle benefits, deepening customer relationships while introducing recurring revenue.

Intelligent Commerce

We built Intelligent Commerce, a data and AI-driven platform that continuously optimises attribution, targeting and campaign performance, enabling smarter decisioning, stronger return on advertising spend (ROAS) for merchants, and more relevant, personalised experiences for customers.



*The products were launched after year-end, in April 2026.



Our business model and strategy

What Zilch does

Zilch is a technology platform built at the intersection of payments, advertising, and consumer lending. Through a direct-to-consumer (D2C) model, we provide our customers with the flexibility to pay on their own terms, wherever they choose to shop.

Our primary goal is to improve credit accessibility and affordability for all consumers, driving tangible value for both customers and merchants.

Customers use Zilch via either a virtual payments card designed for online and in-store purchases, or a physical card. We offer customers the option of paying over time – up to twelve months (introduced in April 2026) – or paying immediately and earning Rewards.

Our innovative business model is enabled by our mobile app, which subsidises the cost of credit through revenue generated from merchants. These merchants pay us commissions for the sales volume generated by our highly engaged customer base. We then share this revenue with our customers as up to 100%-subsidised credit or Rewards on debit spend, providing unparalleled value with each interaction through our app.

Traditionally, those with the weakest credit profiles have faced the highest costs, which can further damage their financial health. Zilch aims to disrupt this cycle.

Who Zilch serves

We have a diverse customer base across the credit quality spectrum, from subprime to prime. Our customers are distributed across those historically classified as sub and near prime, who have had limited access to traditional credit, and those historically classified as prime, who have access to a wide range of credit offerings and choose Zilch as their primary payments tool. With the Zilch card and app, our customers are empowered to engage positively with credit and build on that credit, all through a product that is flexible, easy to understand and tailored to customers' needs.

We have a unique underwriting approach that aligns our commercial interests with those of our customers.

Our underwriting model is built to align commercial success with consumer wellbeing. Credit is offered with repayment options from six weeks up to twelve months, following the launch of our twelve-month repayment term in April 2026. There are no interest charges, no late fees and no penalties.

We only succeed when our customers succeed. We do not profit from customers being unable to repay their debt when due.

Zilch's business model

Zilch's retail media network comprises a unique ad-enabled platform that empowers consumers to unlock more value from every transaction. This creates a two-way network from which we generate a diversified and growing set of revenue streams.

Merchant

Merchants view Zilch not as a payments tool, but as a high-conversion advertising platform. Our Zilch app attracts high-intent customers, ready to make a purchase, helping to drive the maximum return for our merchant partners on their advertising spend.

Merchants pay performance-based affiliate commissions linked to basket size and advertising fees for premium placement. In return, they gain conversion rates far beyond traditional digital ads – without the inefficiency.

Because of our D2C model, we own the relationship with the end customer – and are able to generate additional revenue through insightful, anonymised first-party data that helps merchants optimise campaigns and product strategy. Zilch also earns interchange revenue across the network – creating multiple, defensible revenue streams.

Consumer

Consumers stay and continue to use the product for the trust – knowing Zilch works for them, not against them. Consumers may incur an upfront fee when shopping outside the app or with an out-of-network merchant – but our goal is always to subsidise the cost of credit wherever possible, while offering maximum convenience online, in-store, and anywhere in the world.

Every touchpoint is designed to deliver value, clarity and control – no interest, no hidden fees, no debt traps. Instead, consumers gain flexibility, build credit profiles and engage with a platform engineered to act in their best interest.

Where Zilch is

Founded in the UK and headquartered in London, Zilch also operates an innovation and technology development hub in Kraków, Poland.

Zilch has agreed to acquire AB Fjord Bank, a Lithuania-based specialised bank. We acquired an initial minority shareholding in March 2026, with completion expected in the first half of calendar year 2027 subject to regulatory approvals.

Chief Executive Officer's review



Dear Shareholders,

Zilch has built a differentiated ecosystem with highly engaged customers, proven unit economics and a track record of execution. FY 2026 was a year of investing in our future growth through major infrastructure upgrades and optimisations. That investment is already paying off, giving us a durable engine for profitable growth unlike anything we have seen so far in the company's history.

Having compounded revenue at 91% a year since FY 2022, we used FY 2026 to do the work that fast growth tends to defer: tightening funding efficiencies and unit economics, recalibrating credit and risk, rebuilding the cost base around a smaller and more senior team (supported by agents), and investing in the brand so that every pound of growth from here costs us less to buy. We closed the year at £2.4bn of GMV, £147.5m of revenue and £65.6m of gross profit, with customers transacting an average of 56 times each.

The evidence that the hard work in FY 2026 is paying off is already in the numbers as we have begun FY 2027 well ahead of budget with two quarters of Adjusted Profit Before Tax.

This coming year, we expect to return strong growth on an adjusted profit before tax basis. As we seek to finalise our EU banking licence, combined with our two-sided network and our profitability aspirations, Zilch is a different kind of company altogether.

I am immensely proud of the team's execution, and that progress has been validated externally with accolades including being featured in both The Sunday Times Tech 100 and the Deloitte UK Technology Fast 50, as well as being awarded Best Consumer Credit Product at the 2025 Credit Awards.

Decisions today, compounding value tomorrow

Driven by deepening customer engagement and a broadening product offering, FY 2026 has been a year of continued momentum. Increased investment in customer acquisition and brand-building is laying the foundations for further active-user growth in the coming years. We are capturing a higher share of customer wallet by offering customers more ways to engage with Zilch, most recently with the roll-out of Pay Monthly in April 2026. Introducing longer-duration products represents a deliberate and strategic investment that will deliver a more durable, higher-quality earnings base in future periods.

Product innovation is our beating heart

In September 2025 we launched our first physical card as part of a new multi-year partnership announced with Visa. This extends Zilch into high-frequency, offline purchases and provides greater flexibility to our customers.

This was followed in October 2025 with the launch of Zilch Plus, our first membership tier. This offers customers enhanced value, flexibility and lifestyle benefits while deepening their relationship with Zilch. Initial traction has been exceptional: we surpassed 100,000 members within five months of launch.

We also unveiled Intelligent Commerce at our inaugural Zilch Summit in October 2025. Intelligent Commerce is designed to improve attribution across more shopping journeys and increase merchants' return on advertising spend, enhancing our merchant proposition and supporting Zilch's mission of further subsidising the cost of consumer credit.

In November 2025 we launched Smart Settings, our rule-based payment configuration tool, which has been adopted by more than 84% of customers. We see this as a critical step on the path to intelligent payments, helping customers optimise how they pay in real time, balancing cash flow management with rewards, value, and convenience.

An exceptional brand attracting exceptional people

We are, for the first time, making a meaningful investment in building the Zilch brand, notably becoming Arsenal Football Club's Official Way to Pay. Arsenal has a deeply engaged supporter base, and at a time when sports brands are seeking partners who can help deepen their relationship with supporters, this partnership aligns squarely with what we are building. This partnership is not just about Arsenal's logo, but what it represents – trust in the Zilch brand, belief in our business, and confidence in our direction.

Just as our brand is reaching new audiences, Zilch is becoming the employer of choice for exceptional talent. In September 2025 we welcomed Boriana Tchobanova as Chief Operating Officer; Boriana brings more than 20 years' experience in financial services, payments and corporate transformation at American Express with many more senior leaders to join in the new year. Our team has the necessary skills, knowledge, and discipline to realise Zilch's ambition, and we will continue to strengthen the organisation as we scale.

Zilch's right to win

We founded Zilch with the conviction that point-of-sale finance on its own, the basis of the conventional buy-now-pay-later (BNPL) model, has limited value because the provider does not own the relationship with the end customer. Time has borne out this thesis, with Zilch delivering customer engagement metrics and unit economics that materially exceed those of conventional BNPL businesses. The question now is how we will build on this momentum and capture the opportunity in front of us.

We see a clear right to win for Zilch, anchored in a set of reinforcing advantages. Our underwriting models now materially outperform leading market benchmarks, allowing us to price risk more accurately than peers.

Our low-and-grow, direct-to-consumer approach lets us enter new markets at relatively low risk and scale alongside customers, increasing their credit limits as we observe their repayment behaviour. Our merchant ad network subsidises the cost of credit for the consumer, while our product factory has driven customers to use an average of five Zilch products and features and drive an ARPU that is better than almost any neobank or BNPL company on the planet (£152). And, having been built without legacy technology systems, we operate with very low capital expenditures and can adapt more nimbly than incumbents. We are building Zilch for an agentic world, and we are already seeing the benefits of AI in our P&L through higher merchant revenue and cost efficiencies. Looking ahead, AI will increasingly guide consumers to the right financial products at the right moment, and Zilch is well-positioned to play an important role in this evolution.

International ambitions

In January 2026 we announced our agreement to acquire AB Fjord Bank, a Lithuania-based bank with approximately £90m in total assets, authorised and regulated by the Bank of Lithuania and the European Central Bank.

The transaction is a major strategic milestone, enabling us upon completion to passport our market-leading proposition across Europe with the added efficiency of deposit funding, and to broaden our product capabilities through Fjord's personal-loan offering. Fjord's capabilities will further support Zilch's right to win not only in the UK, but across Continental Europe.

In closing, I want to thank our team for their continued ambition and discipline, our shareholders for the conviction they continue to place in Zilch, and of course our customers for their loyalty. We remain focused on disciplined execution and long-term value creation as we enter the next chapter of our journey.

Onwards and upwards.

Philip Belamant

Philip Belamant
16 October 2026

Chief Financial Officer's review



FY 2026 was the year our focus on pricing, product and funding translated into measurable progress. GMV grew 28% to £2.4bn, revenue grew faster at 36% to £147.5m on take rate expansion from 5.98% to 6.34%, and our adjusted loss before tax margin was (3.6)% compared to (1.1)% in FY 2025, on a measure that excludes exceptional items, depreciation and amortisation, fair value movements on financial liabilities, and share-based payment expense. At the same time, the funding stack supporting our consumer loan book became materially more capital-efficient with our lender advance rate improving to 97.5% (FY25: 90.0%). We achieved this while continuing to invest in growth: £12.9m of customer acquisition spend, the launch of our Arsenal brand partnership, and the foundational work behind Pay Monthly, Visa Flex and the AB Fjord Bank acquisition that now positions our strategy for FY 2027 and beyond.

Operating performance

In FY 2026 we delivered strong growth in our baseline operating performance. GMV growth was primarily driven by onboarding more customers in the year with customers placing at least one transaction during the year increasing by 21%. This has been supported by an increase in wallet penetration, with average order value increasing by +7% to £44.7 albeit slightly offset by an expected decrease in average order frequency as we strategically pivot to a longer duration product mix with Pay over 3 months now representing 22% of credit GMV (FY 2025: 14%). Providing customers greater optionality around how to pay has led to Zilch being top of wallet for many customers, and we have seen an increase in total annual spend per active customer to £2,500 in FY 2026, a +6% increase on FY 2025, demonstrating that we continue to deliver consumers more of what they want.

Laser focus on execution

In December 2025, we secured a payments services licence from the FCA, further cementing our position as a trusted leader within the market. The licence marks a significant milestone for Zilch, removing reliance on third parties and enabling the business to build more payment methods in-house.

In parallel, Zilch also secured Principal Membership of Visa, reinforcing our collaborative relationship. This status allows for high-frequency settlement, reducing collateral requirements and optimisation of transaction fees. We look forward to innovating with Visa, leveraging technologies, such as Visa Flex, to deliver cutting-edge solutions and smarter ways to pay.

In December 2025, we signed an agreement to acquire 100% of AB Fjord Bank, a Lithuania-based bank with approximately £90m in total assets that is authorised and regulated by the Bank of Lithuania and the European Central Bank. We acquired an initial minority shareholding in March 2026, with completion expected in the first half of calendar year 2027 subject to regulatory approvals. The acquisition represents a major strategic milestone and marks the next phase of Zilch's growth enabling us to passport our market-leading proposition across Europe with enhanced capital efficiency and broadened product capabilities.

FY 2026 has also been a year of innovation

We have enhanced the ability for customers to spend anywhere with Zilch, including the launch of physical cards and Apple Pay integration. We also gave customers a new way to repay their outstanding pay over time transactions with Pay by Bank.

New features offer consumers greater flexibility, with Smart Settings giving customers control over how their card behaves by default and Snooze evolution allowing consumers to intelligently adjust repayment schedules in line with their cash flows.

We are excited by the early success of our membership tiers, which represent over 20% of monthly active users at year end. The membership tiers offer lifestyle benefits including a free physical Zilch card, unique product features and enhanced rewards which deepen customer loyalty while introducing recurring revenue.

Operating performance	FY 2026	FY 2025	Movement	%
GMV	£2,425m	£1,893m	+£532m	+28%
Yearly active users	970k	799k	+171k	+21%
Average order frequency (AOF)	55.9x	57.0x	(1.1)	(2)%
Average order value (AOV)	£44.7	£41.6	+£3.1	+7%
Annual spend per active customer	£2,500	£2,369	+£131	+6%

Revenue

Revenue increased +36% to £147.5m (FY 2025: £108.6m) driven by our strong GMV performance combined with further revenue take rate expansion to 6.34% of NMV (FY 2025: 5.98%).

Our revenue model is powered by consumers, with Credit revenue increasing +47% to £108.4m (FY 2025: £73.9m). Credit revenue has grown faster than GMV growth of +28% due to continued improvements in our pricing as well as optimisation of our product offering, including Smart Settings which gives consumers control over how their card behaves depending on the type of transaction they are performing. We have continued to roll out our Pay over 3 months product to more consumers which has the dual benefit of driving higher average order values whilst also delivering more favourable unit economics than Pay over 6 weeks at higher AOVs.

Feature revenue has increased +120% to £6.9m (FY 2025: £3.1m) driven by the evolution of our Snooze offering allowing customers to authorise Zilch to intelligently adjust repayment schedules in line with their cash flows. We are also excited to see promising signs from the early days of our membership programme, launched in Q3 FY 2026, with over 20% of monthly active users subscribed at year end. We expect this revenue stream to accelerate into FY 2027, increasing brand loyalty and customer retention whilst also providing non-risk related revenue streams.

Transaction revenue has decreased slightly year-on-year to £21.2m (FY 2025: £21.7m) driven by a near-term reduction in interchange rates following the migration from Mastercard to Visa in the second half of FY 2025. Our migration to Visa was a strategic choice to strengthen the product offering, unlocking working capital benefits from reducing our prefund settlement collateral requirements. Our new Principal Membership of Visa reinforces our collaborative relationship. In the second half of FY 2026 we laid the foundations to implement Visa Flex which was launched in Q1 FY 2027 and is expected to drive improvements in interchange economics.

Merchants support our revenue model with Advertising revenue up +12% to £11.0m (FY 2025: £9.8m) driven by new affiliate partnerships and a diversified set of retailers purchasing ad placements. The app experience is underpinned by merchant relationships and we offer retailers access to highly engaged, purchase-ready audiences demonstrating higher returns on advertising spend for merchants. We continue to pass this benefit on to our consumers, driving value for our merchants and consumer flywheel.

Credit losses

In a deliberate strategic shift towards higher order value, longer-dated lending, we have taken some impact to our credit losses which were 2.0% of NMV in FY 2026 versus 1.5% in FY 2025. We have pursued top line GMV growth through attracting new customers to the platform, adjusting credit limits made available to new cohorts (lower where risk is more pronounced, higher for better performing cohorts), and through driving increases in average order value which attract a higher loss provision percentage. Higher AOVs are typically seen on our Pay over 3 months product, which now represents 22% of total credit GMV (FY 2025: 14%), and in the long-term increases the stability of the loan book, reducing seasonal volatility based on retail spend patterns. We constantly monitor credit losses balancing growth ambitions with risk appetite whilst also delivering operational improvements in debt collection. Our rigorous approach is demonstrated by a 22% year-on-year improvement in our March exit rate credit losses and we expect to continue operating within target credit loss bands through FY 2027 and beyond.

Gross profit margin

Gross profit increased +24% to £65.6m (FY 2025: £52.8m) with gross profit margins reducing to 44.5% versus 48.6% in FY 2025 (decrease of 410 bps) driven by growth strategy impacts to credit losses. We have mitigated the impact of the year-on-year reduction in gross profit margins on adjusted loss before tax through disciplined control of operating expenses, whilst ensuring we focus on our core growth capabilities.

We acknowledge that there is a near-term trade-off between our growth strategy and gross profit margins but in FY 2026 we have laid the foundations for improved unit economics which we will benefit from in FY 2027 and beyond. We have developed non-risk related products such as our new membership tiers, offering members lifestyle benefits and increased rewards. We have also developed other margin efficiencies such as our Principal Membership of Visa and the migration to Visa Flex which has unlocked structural improvements in interchange gross profit economics.

Adjusted loss before tax

We remained focused on disciplined cost control and strategic capital allocation during the year, whilst also investing in our core growth capabilities. Adjusted loss before tax was £5.3m in FY 2026 (FY 2025: £1.2m), equivalent to an adjusted loss margin of (3.6)% (FY 2025: (1.1)%). The year-on-year movement reflected continued investment in growth, including customer acquisition and brand-building, together with higher funding costs associated with the growth of our consumer loan book.

Adjusted loss before tax is presented before exceptional items, depreciation and amortisation, fair value movements on financial liabilities and share-based payment expense. Share-based payments and fair value movements on financial liabilities represent non-cash, equity-settled transactions, and therefore do not affect the cash flow statement or the underlying commercial performance of the business. Equity incentives are a critical tool for attracting and retaining the best talent needed to deliver our high-growth plans.

Geared for growth

Sustainably attracting customers to our platform is key to our growth strategy, with both directly attributable customer acquisition and broader brand awareness levers that we can pull to deliver our new customer targets.

Customer acquisition has been a core focus of FY 2026, with spend increasing to £12.9m versus £9.8m in FY 2025. Focus has been on lead generation and referrals, as we broadened our mix of channels to increase leads, including customers with higher credit scores, whilst aiming to keep increases in onboarding costs and forced churn to a minimum. Our investment into growth continues to drive top line upside with customer acquisition costs as a percentage of revenue reducing slightly from 9.1% in FY 2025 to 8.8% in FY 2026.

Beyond customer acquisition costs, we have focused on increasing other marketing and brand awareness with these costs increasing to £3.3m (FY 2025: £0.8m). In November 2025, Zilch entered into a three-year global partnership with Arsenal Football Club, becoming the Club's "Official Way to Pay". The partnership is designed to build awareness, trust and consideration at scale ahead of future growth ambitions.

	FY 2026 £'000	Restated FY 2025[1] £'000	Movement £'000	%
Revenue	**147,460**	**108,577**	**38,883**	**+36%**
Revenue take rate (% NMV)	6.34%	5.98%		
Credit losses[2]	**(45,480)**	**(27,378)**	**(18,102)**	**(66)%**
Credit losses % NMV	2.0%	1.5%		
Gross profit	**65,610**	**52,773**	**12,837**	**+24%**
Gross profit margin (% revenue)	44.5%	48.6%		
Loss before tax	**(35,881)**	**(12,500)**	**(23,381)**	**(187)%**
Exceptional items	1,583	1,673	(90)	(5)%
Depreciation and amortisation	3,940	2,872	1,068	+37%
Fair value movements on financial liabilities	15,838	-	15,838	n/a
Share-based payments	9,260	6,723	2,537	+38%
Adjusted loss before tax	**(5,260)**	**(1,232)**	**(4,028)**	**(327)%**
Adjusted loss before tax margin (% revenue)	(3.6)%	(1.1)%		

[1]Comparative information has been restated. Refer to note 33 for further information.
[2]Credit losses are presented as "Net impairment of financial assets" in the Consolidated Statement of Comprehensive Income.

Cashflows and operating leverage

This year we have made significant progress on improving our operating leverage and funding efficiency with a renegotiated debt deal in October resulting in our lender advance rate improving to 97.5% (FY25: 90.0%) for core products and improved commercial terms. This funding efficiency gives us operating leverage to drive further growth through volume, new products launches, and operational levers including customer acquisition and marketing.

Through our rigorous approach to capital allocation, we generated underlying trading cash flows of £57.0m, a £17.8m or 45% improvement year-on-year. We use underlying trading cash flows to understand how much cash the business generates before issuing further loans. We adjust for settlement balances to remove the short-term fluctuations in our cash position that arise from the settlement cycle, typically one to two business days, which provides a more consistent comparison with prior periods.

Our improved funding efficiency, coupled with our improved operating leverage, generated adjusted operating cash inflows of £24.4m, an increase of £9.4m or 62% year-on-year. This is cash we are generating after increasing the size of the loan book and represents the structural improvements we've made in the year.

Beyond our operating activities, we have raised £39.3m cash from equity-linked instruments (FY25: £5.9m) increasing the cash available and giving us optionality around how to drive growth. We have used £6.8m of cash in investing activities including developing our app and investment in Fjord Bank.

We close the year well capitalised as we head into FY 2027, with £106.5m of cash balances, an increase of +£58.3m year-on-year. We have drawn down £161m out of our £200m securitisation facility which we expect to extend further in FY 2027. Our corporate facility gives us flexibility on how best to drive growth with £15m drawn down and further funding available to us. We have ambitious growth plans, and the funding available to deliver them.

	FY 2026 £'000	FY 2025 £'000	Movement £'000	%
Net cash used in operating activities	**(12,638)**	**(51,871)**	**39,233**	**76%**
Add: movement in consumer loan receivable	72,778	95,333	(22,555)	(24)%
Less: movement in settlement balances	(3,159)	(4,246)	1,087	26%
Underlying trading cash flows	56,981	39,216	17,765	45%
Consumer loans	(72,778)	(95,333)	22,555	24%
Net debt (incl. interest)	40,189	71,133	(30,944)	(44)%
Net cash flows used in consumer loans	**(32,589)**	**(24,200)**	**(8,389)**	**(35)%**
Adjusted operating cash flows	**24,392**	**15,016**	**9,376**	**62%**

Looking forward to the year ahead

In FY 2026 we have not just grown; we have matured. We are already seeing the results of the strategic decisions we have taken in FY 2026 with March exit rate gross profit margins improving 32% against prior year, and improved flow through to the bottom line as we accelerate into FY 2027. Following the success of Pay over 3 months, we have launched Pay Monthly (allowing customers to access loan terms up to 12 months) in Q1 of FY 2027 and we are already seeing successes from the early trading of these products. We have further developed our membership tiers by adding a new Extra tier, which offers consumers the ability to borrow up to £100 before they get paid, through our Advance product, which launched in May 2026. With even more products in the pipeline, we are excited for the year ahead and confident in our ability to deliver increased consumer value, supporting our strategy of capturing a higher share of consumer spend.

With proven success in the UK, we are now in a strong position for further growth through international expansion. The product and company structure is built in such a way that it can be replicated across geographies. Pursuant to regulatory approval being granted to complete the acquisition of AB Fjord Bank, expansion into Europe will be supported by the ability to fund new lending with retail deposits along with utilising existing securitisation facilities.



Our merchants

Intelligent Commerce. More measurable value.

Expanding merchant reach, improving attribution, and giving customers more fee-free ways to shop.

We launched Intelligent Commerce at our inaugural Zilch Summit in October 2025 as a strategic enhancement to the merchant side of Zilch's ad-enabled network. Designed to improve attribution across more shopping journeys, it helps brands capture more of the sales we drive, improves return on spend, and strengthens the merchant economics that help us continue subsidising the cost of consumer credit. This aligns closely with our broader model, where merchant-funded value supports better customer outcomes and a stronger network overall.

A stronger proposition for merchants

For merchants, Intelligent Commerce improves the way sales generated through Zilch are recognised across more customer journeys, including journeys that have historically been harder to attribute. It gives brands access to a broader suite of capabilities available to Intelligent Commerce partners, including fee-free flexible payment options across Pay over 6 weeks and, exclusively, Pay over 3 months, as well as richer insights and more targeted campaign opportunities. By combining Zilch transaction data with open banking signals, partners can better identify new, lapsed and competitor audiences, while also benefiting from media credits and enhanced value across Zilch advertising placements. The result is a stronger omnichannel proposition, with improved performance visibility, higher attributable sales, better return on ad spend, access to new customers, stronger retention and larger basket sizes.

Since launch, 49 brands from our network have gone live, including eBay, Tesco, Nike, Morrisons, On, Currys, Wayfair, Papa John's and Deliveroo, demonstrating strong early merchant demand for the proposition.

Commercial progress since launch

Momentum since launch has been strong. Intelligent Commerce has contributed to an increase in merchant revenue take rate for live brands, rising from 2.0% to 2.2%, and now accounts for 29% of affiliated NMV (exit rate). We have 49 live deals in market and a pipeline of 120 additional immediate opportunities, giving us confidence in the scale of the opportunity ahead. As more partners go live, Intelligent Commerce is becoming an increasingly important contributor to merchant revenue and a stronger driver of value across our network.

More value for customers

For customers, Intelligent Commerce expands access to more of the brands they want, with more fee-free ways to shop through the Zilch app. Customers can choose to pay over time (6 weeks, 3 months, 6 months or 12 months, subject to eligibility) or pay now and earn boosted Rewards, giving them greater choice, flexibility and control. This combination of reach, affordability and rewards helps customers shop with greater confidence, while reinforcing the value of using Zilch as a primary payment method. That customer engagement, in turn, strengthens the value we deliver back to merchants.

Strengthening the flywheel

Intelligent Commerce strengthens the flywheel at the heart of our model. Greater measurable value for merchants supports stronger revenue and improved take rate. That, in turn, helps us continue to subsidise the cost of consumer credit and invest in better customer experiences. With a growing roster of live partners, deeper merchant engagement, and a strong pipeline across multiple categories, we see significant runway to scale the proposition further.

Merchant spotlight

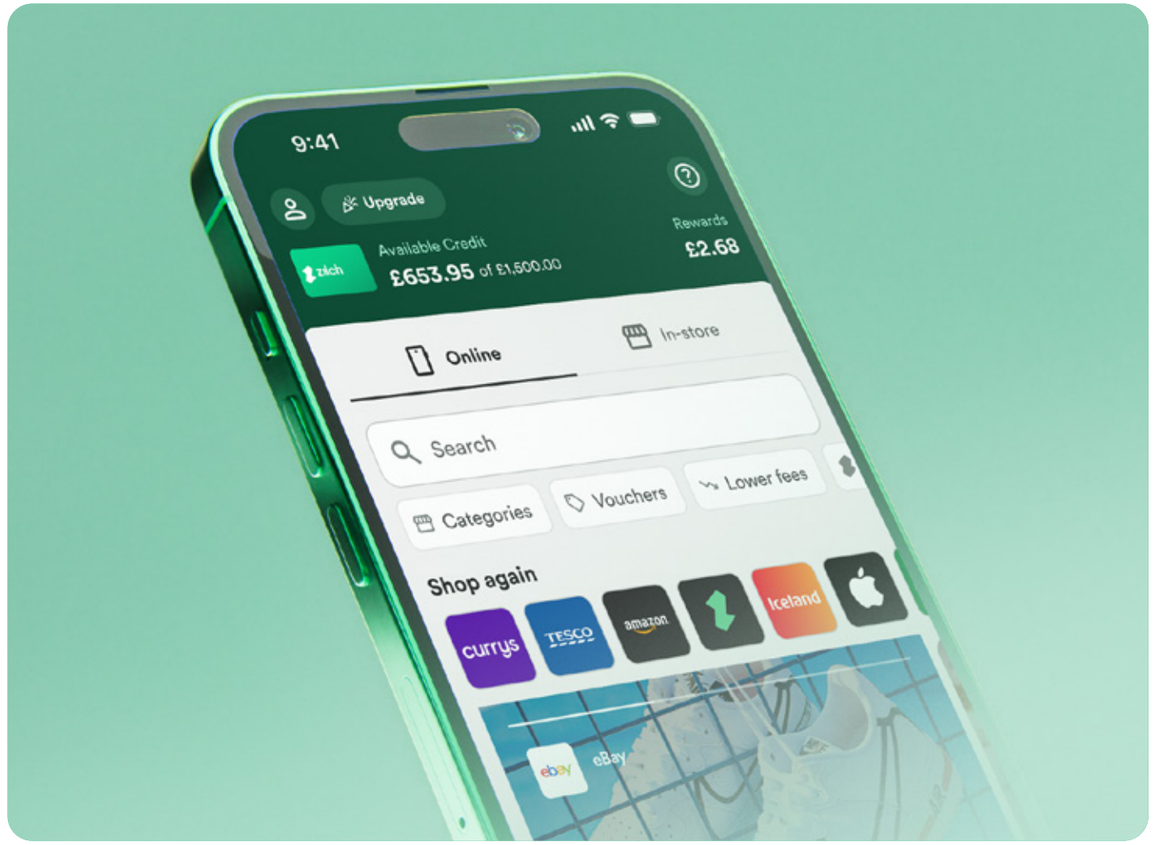
eBay

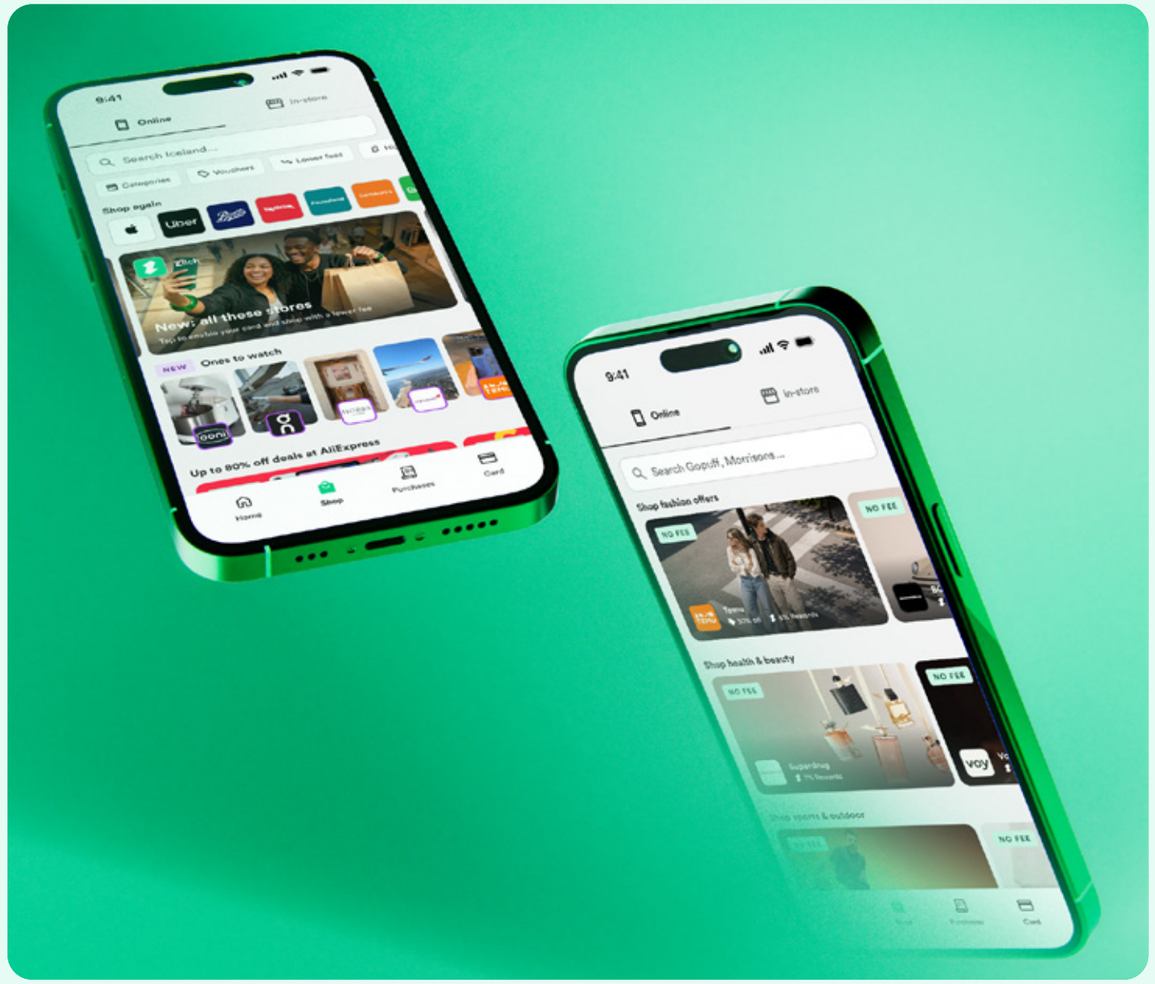
"We're proud to have partnered with Zilch for almost five years and have been consistently impressed with the results they've delivered. Throughout our relationship, the team has remained focused on our objectives, helping us drive meaningful commercial outcomes while continuing to innovate.

When Zilch launched Intelligent Commerce, we were keen to be one of the first brands to adopt the solution. It gave us the opportunity to offer customers greater payment flexibility while supporting our wider growth ambitions. Intelligent Commerce has helped increase our Pay over 3 months transactions by 23.1%, our sales by 39% via Zilch app and grow our market share by 32.7% year-on-year against the market competitors, comparing September 2026 with September 2025.

Beyond the commercial impact, Zilch has proven to be a collaborative and trusted partner that is always looking for new ways to create value for both eBay and our customers. We're excited to continue building on the partnership and seeing what comes next."

Rebecca Mangaroo,
Global Head of Focus Experiences, eBay







32.7%

eBay's increase in market share YoY against competitors


VISA
Arsenal
Emirates
FLY BETTER
Arsenal
Emirates
FLY BETTER

Brand partnerships

Arsenal FC

Overview of the partnership

In November 2025, Zilch entered into a three-year global partnership with Arsenal Football Club, becoming the Club's Official Way to Pay.

The partnership spans both the Men's and Women's First Teams and provides access to players, matchdays, digital media and retail environments, including co-branded payment experiences, a co-branded card and integration at the point of purchase.

This partnership represents a strategic investment in brand-building, designed to accelerate Zilch's transition from a high-performing fintech challenger into a trusted mainstream consumer brand. Importantly, the partnership was designed to go beyond traditional sponsorship and create meaningful opportunities to integrate the Zilch product into the fan experience.

Strategic rationale

Zilch operates in a highly competitive payments category. While the business has delivered strong product performance and customer growth, brand awareness has historically been significantly lower than established financial services brands.

The Arsenal partnership was established to build awareness, familiarity, trust and consideration at scale.

Football remains one of the few platforms capable of delivering both mass reach and deep emotional engagement. Arsenal's global fanbase, cultural relevance and digital-first audience provide a powerful platform through which Zilch can introduce new consumers to both its brand and product.

From the outset, the strategy was clear: sponsorship alone would not be enough. Rather than focusing solely on visibility, Zilch has sought to create activations that encourage participation, reward supporters and integrate the product into moments that matter to fans.

This approach allows Zilch to become part of the fan experience rather than simply advertise alongside it.

Activations and engagement

Since launch, Zilch has rolled out a series of activations designed to bring the partnership to life through participation, rewards and fan engagement. Across all activity, the objective has remained consistent: to create meaningful experiences for supporters while reinforcing Zilch's position as a smarter way to pay.

Clean Sheets

Launched in March 2026, Clean Sheets has become the flagship activation of the partnership.

The campaign is built around the shared meaning of "zero". For Zilch, it reflects the belief that consumers should pay little or nothing when borrowing responsibly. In football, a clean sheet means conceding zero (Zilch) goals.

Every time Arsenal win while keeping a clean sheet, Zilch gives away 500 official Arsenal scarves to supporters. The activation combines brand storytelling with direct product integration, with Zilch paying for the scarf at the point of redemption.

In season 1 more than 6,500 scarves have been distributed, generating over one million views and more than 500,000 unique visits to the Clean Sheets platform. The fastest drop sold out in just 42 seconds. The campaign has achieved an average engagement rate of 7% and generated over 850,000 views through creator partnership. Arsenal described Clean Sheets as the Club's most engaged-with campaign of the whole season.

Green Seats

Launched in March 2026, Green Seats was designed as a surprise-and-delight experience for supporters attending matches at Emirates Stadium.

Throughout the season, selected supporters discovered that their seats had been transformed into Zilch Green Seats, unlocking exclusive experiences including stadium upgrades, signed merchandise, behind-the-scenes access and unique moments unavailable through traditional hospitality programmes.

The activation was intentionally designed to create authentic supporter stories rather than paid media moments. Fans have subsequently shared their experiences across social channels, generating thousands of views, likes and engagements through organic user-generated content and extending the campaign's reach beyond the matchday itself.





Twice As Nice

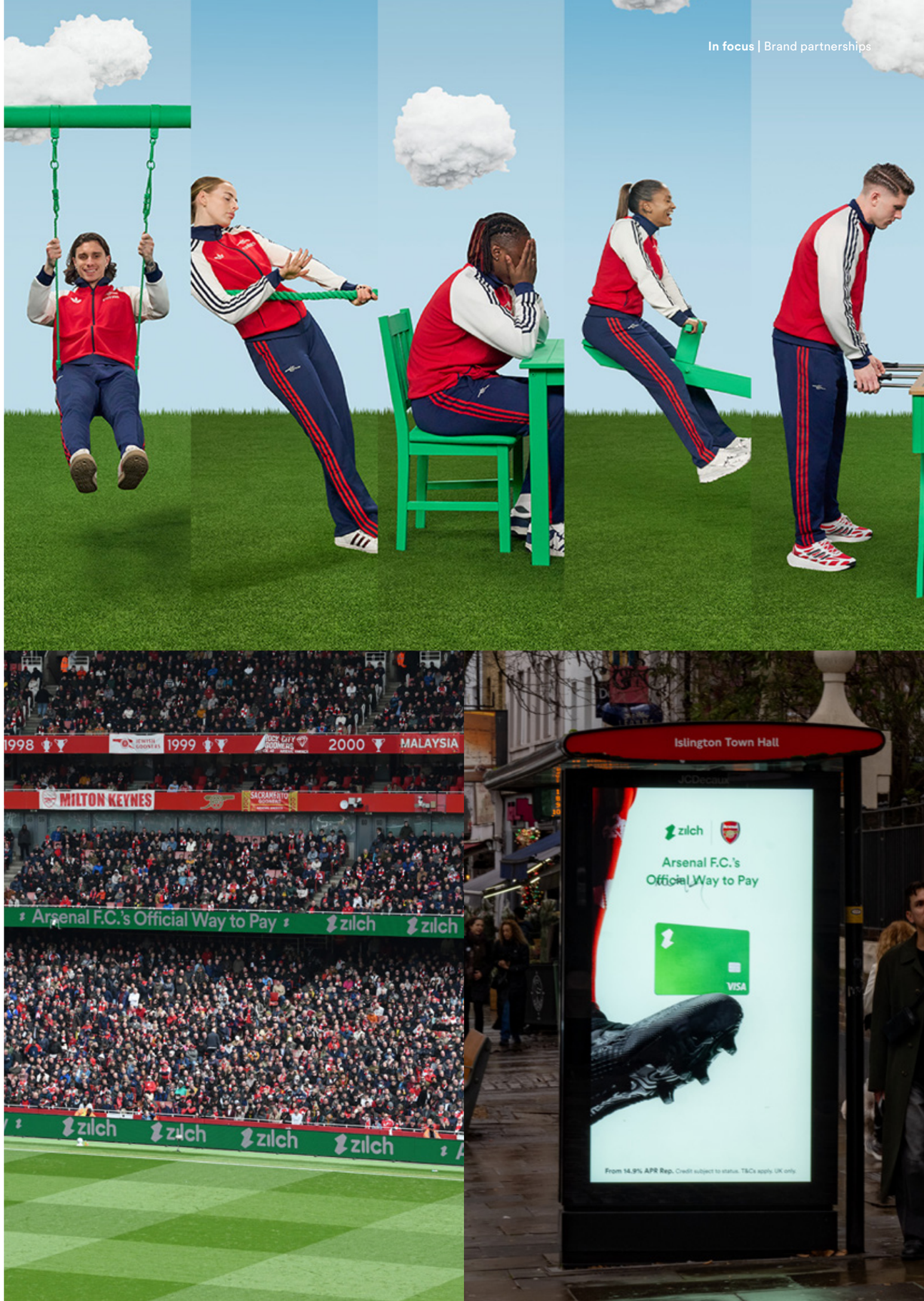
Launched in June 2026, Twice As Nice places the Zilch product at the centre of the partnership.

Featuring players including Chloe Kelly, Eberechi Eze and Riccardo Calafiori, the campaign enables Arsenal supporters to receive 10% off purchases at Arsenal Direct and The Armoury when paying with Zilch. For Arsenal Members, this benefit stacks with the existing 10% member discount, creating a combined saving of up to 20%.

Twice As Nice represents the clearest expression of the partnership's strategic intent. While activations such as Clean Sheets and Green Seats create engagement, Twice As Nice directly demonstrates the value of the Zilch product within the fan journey. By integrating payments, rewards and savings into everyday supporter behaviour, the campaign reinforces both what Zilch is and the benefits it provides to customers.

At the heart of the Arsenal partnership is a simple principle: payments are what Zilch does, but creating value for supporters is what makes the partnership meaningful. Through a combination of product integration, rewards and fan experiences, the partnership continues to build awareness of the Zilch brand while delivering tangible benefits to Arsenal supporters.





Section 172 and stakeholder engagement

The board of Zilch Holdings Limited (the Board) is committed to promoting the long-term success of the Company for the benefit of all stakeholders, in line with section 172 of the Companies Act 2006.

Stakeholder considerations are embedded into Board discussions and decision-making processes through regular Board reporting and our Board Committees (which we set out in further detail in 'Governance at Zilch' on page 39). We outline below how the Board has engaged with our key stakeholders and considered their needs when making decisions throughout the year.

Customers

The Board is focused on delivering good customer outcomes, particularly in line with the FCA's Consumer Duty. During FY 2026, it supported the development of both existing and new products designed to meet the varied needs of our customers. These included more flexible and intelligent ways to pay and repay, as well as a membership offering that enables customers to build a deeper relationship with Zilch. The Board also ensured that customer service and support remained best-in-class.

In addition, we pay close attention to the needs of vulnerable customers, supported by features such as responsible spending tools and affordability rules.

Employees

Our ability to operate and fulfil our mission relies on our talented people. The Board engaged with employees through regular engagement surveys, internal communications and Company-wide announcements. The Board aims to attract talent and retain the best people through ongoing training and professional development, alongside offering appropriate incentives. The Board has mandated management to maintain a safe, healthy and sustainable environment through the provision of support to employees for mental and physical well-being, and access to private healthcare. Our commitment to equal opportunities is reflected in the Company's Employee Handbook and across all our recruitment adverts. The Board has zero tolerance for discrimination or harassment of any kind, which is communicated via the Employee Handbook and reinforced with annual training.

Regulators

The Board is dedicated to ensuring that our products and services comply with all applicable regulatory requirements. The Board maintains an open, constructive and ongoing dialogue with the FCA through the Chief Executive Officer and the Chief Risk Officer, who has overall operational responsibility for regulatory compliance. During the year, as we explored expansion opportunities, Zilch has also developed relationships with relevant European regulators, to ensure consistent standards of conduct and customer outcomes are maintained across multiple jurisdictions.

Zilch maintains comprehensive policies covering key regulatory areas, a report on which is presented to the Board annually. More broadly, the Board promotes a culture of high standards of business conduct across the organisation through leadership behaviour and annual training, recognising that responsible business practices are integral to delivering long-term sustainable success.

Community and environment

The Board is committed to operating in a responsible and sustainable manner and recognises the impact of our activities on the environment and wider society. As a technology-led business, our direct environmental footprint is relatively limited; however, the Board seeks to minimise our impact through initiatives aimed at improving energy efficiency and promoting more sustainable ways of working. We operate a hybrid working model, which contributes to a lower carbon footprint as employees are not commuting on a daily basis. In addition, we participate in the UK Government's Electric Car Scheme, supporting eligible employees in accessing more environmentally friendly transport options.

Suppliers and partners

We have a wide range of suppliers who support us across all areas of the business, a select number of whom are critical to our operational resilience. The Board is therefore highly aware of the importance of successful, lasting relationships with our suppliers and monitors its critical outsourcing relationships. During the year, the Board approved the 2026 Modern Slavery and Human Trafficking Statement, which sets out the steps we take to prevent such labour exploitation in our supply chains.

Given our two-sided business model, merchants and commercial partners play a crucial role in supporting long-term success. Engagement is maintained through ongoing commercial dialogue, performance monitoring and account management, enabling the Company to understand partner needs and respond to evolving market dynamics.

Shareholders and debt providers

In line with the Board's responsibility for setting the Company's long-term strategy, the Board made a number of key strategic decisions through the year, as detailed in the 'Key activities' section on page 41. We rely on our shareholders and debt providers to support our ongoing operation and growth ambitions. They are therefore critical to our success and the Board maintains regular dialogue through a quarterly 'Shareholder Letter' and direct communications. We have strengthened our Investor Relations function by appointing a dedicated owner and establishing a clear, efficient response process, enabling us to deliver timely, consistent, and high-quality support to our investors.

Governance and risk



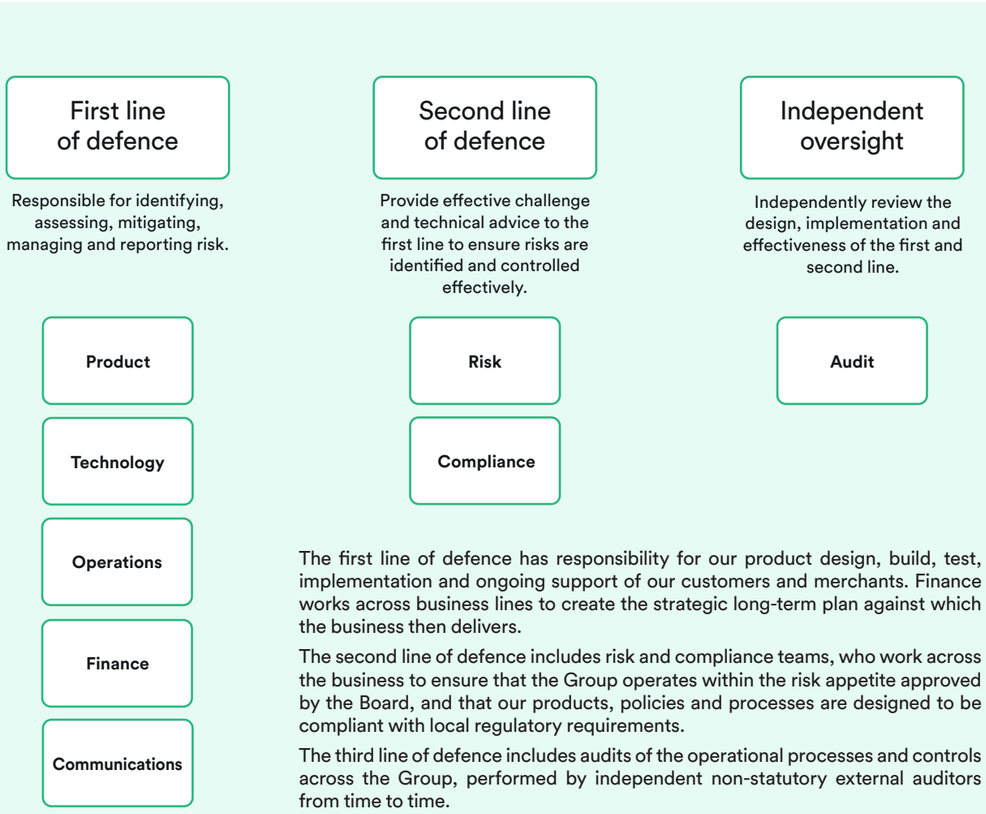
Risk and compliance overview

Risk and compliance overview

Zilch's Risk Management Framework creates a structured approach and common language to support the management and operations of the Group. The framework allows us to effectively and efficiently identify, measure, monitor and control risks in line with our governance, culture and risk appetite.

Management within the Group

Within the Group, Zilch uses the 'three lines of defence' model. The first line takes primary responsibility for managing the Group's risks, supported by the second line, which reports to the Chief Risk Officer and is responsible for supporting and monitoring the first line of defence's controls. The third line of defence – whether through internal or external audit – provides independent assurance on the effectiveness of first and second line controls.



The first line of defence has responsibility for our product design, build, test, implementation and ongoing support of our customers and merchants. Finance works across business lines to create the strategic long-term plan against which the business then delivers.

The second line of defence includes risk and compliance teams, who work across the business to ensure that the Group operates within the risk appetite approved by the Board, and that our products, policies and processes are designed to be compliant with local regulatory requirements.

The third line of defence includes audits of the operational processes and controls across the Group, performed by independent non-statutory external auditors from time to time.

Principal risks

Zilch's Risk Management Framework is supported by a detailed set of policy and control requirements, which create a common and consistent language that can be applied across all legal entities with Group-wide policies, supplemented with any additional local requirements. Principal risks allow us to aggregate risks together to form a common understanding across common activities and allow the concept of multiple policy owners working seamlessly together, rather than building a policy framework which is solely "functionally" aligned. This framework also grows as we grow – for example, in FY 2026, we became an Authorised Payment Institution and a Principal Member with Visa. The Risk Management Framework allows us to add in new risks/requirements either via additional controls in current policies, or via new policies to ensure we remain appropriately governed. We currently have five principal risks, which are as follows:

Principal risk – Conduct

Description	Mitigation
Conduct risk is the risk of poor outcomes for, or harm to, our customers arising from the delivery of our products and services. Conduct risk incorporates policies covering Anti-Bribery and Corruption, Anti-Money Laundering and Politically Exposed Persons (PEPs), Complaints, Consumer Duty, Financial Promotions and Whistleblowing.	Zilch has a wide range of conduct-related policies that are built upon the policies and guidance given by the FCA for each risk type. The policy environment continues to develop and as such there is a risk that firms' interpretations can vary from the FCA's updated intentions. In 2025, the UK Government introduced new legislation to bring Deferred Payment Credit (classical BNPL at point of sale) into scope of regulations. Zilch is already regulated and 100% of credit transactions are already written under a regulated credit account. HM Treasury, working jointly with the FCA, is reforming the Consumer Credit Act 1974, moving much of the Act into more flexible, outcomes-based FCA rules. While the aim of maintaining consumer protection is unchanged, the reform requires legislation followed by FCA consultation on replacement rules, so requirements under the Act are currently expected to remain broadly unchanged over the next 12 months. Zilch mitigates the risks of poor outcomes by having clear policies and procedures for each of these risks. Cases which require additional oversight are escalated to senior managers and decisions are documented and retained such that we can review and adapt (if needed) policies and processes if new guidance is issued. We actively engage with the FCA and share data and information with them openly. We continually monitor, assess and evolve our policies to ensure they remain up to date.

Principal risk – Credit and Fraud

Description	Mitigation
Credit risk is the risk of loss to the Group from the failure of customers to fully repay their obligations to the Group, or the fraudulent behaviour of customers, staff or other third parties. Credit risk incorporates policies covering Collections and Credit Risk.	The macroeconomic environment always remains a key risk and FY 2026 saw a period where interest rates were reduced to 3.75%. Whilst unemployment rate rose in the UK, it was primarily due to new entrants to the employment market (generally youth unemployment) rather than a significant change in employment to those already employed. The impact of the Middle East conflict is yet to play out and, while the Group has no direct exposure, the overall long-term impact on the UK macroeconomic environment cannot yet be estimated. Zilch's credit risk is primarily to consumers, and so we remain sensitive to how these macro factors impact real rates, inflation, and in particular unemployment going forward. Zilch mitigates credit risk through active monitoring and control. We have several levers, including assessing the affordability and credit score criteria for new customers; the setting of pricing for new products and services; and offering additional options and services to customers who are delinquent to maximise repayment and recovery. In FY 2026, we rolled out new ways for customers to easily set up repayment schemes in app, and additional flexible ways of paying – such as using Open Banking. Whilst delinquency outcomes have remained well within our expectations given the economic uncertainty, our credit strategy remains under constant monitoring to ensure that we adapt appropriately.
Fraud risk is characterised by third parties making fraudulent applications or attempting to take over customer accounts. The risk is persistent as fraudsters continue to use even more complex tools to avoid detection.	Fraud risk is mitigated via a detailed set of specific fraud controls and dedicated fraud analysts who use enhanced identity verification (IDV) controls; multi-factor authentication; fraud models and rules based on customer behaviour; and blocking of fraudulent merchants or accounts, to proactively manage our fraud profile, keeping it within risk appetite.

Principal risk – Financial

Description	Mitigation
Financial risk is the risk that the Group has insufficient liquidity to meet its contractual obligations, has insufficient capital to support its business or that changes in foreign exchange (FX) or interest rates materially impact the Group's financial position and performance.	Zilch uses both debt and equity to ensure that we have the funding in place to support both our corporate strategy and customer demands. In 2025, Zilch expanded both the size of its debt securitisation and added two additional market leading funders to broaden the funding pool. Our FX risk remains limited from normal operations. In December 2025, we signed an agreement to purchase 100% of shares in AB Fjord Bank subject to regulatory approval. We will look to build up the purchase value in local currency throughout the year ahead of the formal purchase. Zilch mitigates these financial risks by having a multi-year business planning horizon that allows us to both plan for and put in place arrangements that support this plan. For example, our debt securitisation has performance rule sets, and we actively monitor them to ensure that the portfolio performs as intended to maximise funding. We take proactive actions where necessary and ensure that updated funding costs are considered when reviewing and deciding on new products. Whilst we have positive active engagement with all our funders, the size and availability of debt and equity funding over the longer term will always remain key risks to the business that need to be actively managed. We also plan our cash demands over the horizon and use both spot and forward hedges when and where appropriate to help mitigate currency volatility.

Principal risk – Operational

Description	Mitigation
Operational risk is the risk of losses caused by flaws, failures or disruption in our people strategy, processes or systems. Operational risk incorporates policies covering: "HR Handbook" and "People Security"; "Expense Management" and "Vendor Management"; and IT policies covering "Acceptable Use", "Business Continuity Plan (BCP) & Security Incident Management", "Information Classification and Management", "IT Communications and Software Development" and "Information Security". In 2025 we also introduced new policies in Operational Resilience and Outsourcing to comply with the requirements of a payments firm. Operational risk also arises from failures in internal processes, people or change management activities, which could impact service delivery, customer outcomes or regulatory compliance.	Zilch provides a seamless service to customers via their Zilch accounts, but that service also relies upon services provided by a significant set of external partners who support our data stack, which is also constantly evolving. For example, poor system performance or availability would impact customers' abilities to access our products and services and could lead to dissatisfaction with the service and a loss of future business. Our customers expect great customer service and quick resolution when an issue does occur. The ongoing effective operation by both Zilch and the services we consume from partners is key to ensuring we provide customers the product. The ongoing design and availability of these services is a key risk. Zilch mitigates these risks by working with leading suppliers, having a detailed release framework (including documentation, testing and roll-out strategies), active monitoring of the entire environment and a tiered incident response structure for each part of our system. We maintain ISO 27001 certification and undergo independent SOC 2 Type II examinations and external PCI-DSS annual audits. We apply a number of leading perimeter IT security controls to identify, deflect and defend against threats and therefore help secure our IT environment as we see a growing trend across all firms of increased levels of cyber-attacks.

Principal risk – Reputational

Description	Mitigation
Reputational risk is the risk of failure to meet stakeholders' expectations as a result of any behaviour, action or inaction by Zilch that may cause a negative view of the Group. Reputational risk controls and governance are set by policies covering "Disclosure Signoff" and "Senior Managers Regime".	Zilch mitigates the risks to our reputation through governance, controls, business strategy and support for highest standards. We have publicly supported the new Deferred Payment Credit regulations and have engaged actively with the FCA and HMT on the next round of innovation to transform the Consumer Credit Act in the UK. We hold ourselves to the highest standards via strong governance, culture and operations – an example being applying for an FCA authorisation for consumer credit from inception. In December 2025, we received our Authorised Payment Institution Licence from the FCA and also became a Principal Member of Visa. Our initial share purchase of a minority shareholding in AB Fjord Bank was approved by the Bank of Lithuania and we have submitted our full change of control application for the bank.

Governance overview

Our Board comprises highly experienced and skilled professionals who are responsible for promoting the long term success of Zilch for the benefit of its stakeholders. The Board provides leadership and strategic direction, setting the Group's strategy and overseeing its effective implementation by the Executive Committee and wider Leadership team.

The Board is ultimately responsible for ensuring that the standards, policies and behaviours it sets are clearly communicated, consistently embedded and effectively applied across the Group.

To support effective governance and ensure sufficient focus on key areas, the Board has currently established two Board-level committees and delegated specific responsibilities to them. This structure enables more detailed oversight and informed decision-making across critical areas of the business.

The Board has delegated responsibility for the day-to-day management of the business to the Chief Executive Officer (CEO). In turn, the CEO has established an Executive Committee to support the effective discharge of these responsibilities.

As a further layer of governance, the Leadership team is responsible for implementing the Company's policies and embedding them across the organisation. The Leadership team also plays a key role in identifying, assessing and escalating emerging risks and issues, ensuring that the Board maintains appropriate visibility and oversight.

Mission, vision and values

The Board sets the tone from the top, ensuring that Zilch's mission, vision and values are clearly defined, consistently communicated and aligned with the Group's strategy.

Mission

Our mission is to democratise access to world-class financial products and, in doing so, save people both time and money on every transaction.

Vision

To eliminate the cost of consumer credit. For good.

Values

At Zilch, our actions are driven by a set of core values, which flow from our mission and vision, and help us to ensure we consistently deliver the best for our customers and teams.

Our values are:

"Do it": Use your initiative. We trust you.

"Do it brilliantly": Without ego.

"Do it the right way": Even when no one's watching.

"Do it for our customers": Every decision matters.

Governance at Zilch

We continued to strengthen and formalise our approach to governance during FY 2026, to ensure the Board is able to maintain appropriate oversight and high standards of control as the business evolves. This included the implementation of the Corporate Governance Framework and enhancements to our Matters Reserved for the Boards, the introduction of structured meeting processes and the establishment of an Assets and Liabilities Committee.

Board composition

The Board was delighted to welcome Dame Clare Barclay DBE as an Independent Non-Executive Director in June 2026. Dame Clare is currently President of Enterprise and Industry for EMEA at Microsoft, having previously served as CEO of Microsoft UK. She also serves as the Chair of the Industrial Strategy Advisory Council for the UK Government and was awarded a Damehood in 2025 for services to business, technology and leadership.

Dame Clare's appointment reflects Zilch's continued focus on ensuring that the Board has the skills, experience and perspectives necessary to support the next phase of the Group's growth. Her expertise in technology-led growth, digital transformation and customer-focused innovation will be particularly valuable as the Group progresses its international expansion strategy and continues to create long-term value for stakeholders.

Following the appointment, the Board comprises two executive directors and four non-executive directors, three of whom are independent.

The Board consists of:

Serge Belamant, Co-founder, Chairperson and Non-Executive Director

Philip Belamant, Co-founder, Chief Executive Officer and Executive Director

Sean O'Connor, Co-founder and Executive Director

Pavel Chernyshov, Independent Non-Executive Director, Board Audit Committee Chairperson and Board Risk Committee Chairperson

Mark Wilson, Independent Non-Executive Director

Dame Clare Barclay, Independent Non-Executive Director (appointed on 17 June 2026)

Board oversight

The Board met five times and passed a further 19 written resolutions on significant and time-sensitive matters. Members of the Board also met with Leadership on an informal basis on frequent occasions. The Matters Reserved for the Boards have operated effectively since their adoption, and have enabled greater clarity on decision-making authority and governance across the business.

The Board is currently supported in its responsibilities by two Board-level committees, which are set out below.

Board Audit Committee (BAC)

The BAC's primary responsibility is to assist the Board in its financial reporting obligations, including the review and challenge of the integrity of the annual report and accounts and external reporting, monitoring internal controls, and reviewing internal and external audit reports.

Board Risk Committee (BRC)

The BRC's primary responsibility is to assist the Board in fulfilling its risk governance and oversight responsibilities, including the review and challenge of the structure and performance of the risk management framework; and maintaining oversight of whistleblowing.

The BAC and BRC report to the Boards following each meeting of the relevant committee.

The Board is supported on remuneration and nomination matters by the Independent Non-Executive Directors, who review and consider remuneration arrangements and appointments before Board approval is sought, and has also discussed the formal establishment of a Remuneration Committee and a Nominations Committee. Terms of reference have been drafted and it is expected that these committees will formally be established during the course of FY 2027.

Corporate Governance Framework

During FY 2026, the Board adopted the Corporate Governance Framework, establishing a comprehensive governance structure designed to support sustainable growth, effective oversight and robust risk management across the organisation. The framework defines the roles and responsibilities of the Board, its committees, management and employees, and sets out a clear approach to governance, risk management, internal controls and risk appetite.

Drawing on recognised governance principles and regulatory expectations, the framework provides a consistent foundation for decision-making, accountability and independent challenge, while supporting Zilch's long-term strategic objectives and commitment to strong corporate governance.

Executive Committees

Executive Committee (EXCO)

The EXCO, under delegated authority from the CEO, meets on a weekly basis to review operational performance, strategic priorities and key risks. It escalates matters to the Board where appropriate. Throughout FY 2026, the Board received reports on matters considered by the EXCO as part of the CEO Report.

Assets and Liabilities Committee (ALCO)

The BRC established the ALCO during the year, an executive-level committee responsible for ensuring that Zilch Technology Limited maintains a strong and sustainable financial position through prudent management of liquidity, funding, capital, and balance sheet risk. It meets monthly and comprises members of Leadership, Risk, Compliance, Finance and Legal. The ALCO operated effectively during FY 2026, in particular monitoring and ensuring actions were taken to ensure compliance with key financial covenants under our debt facilities.

Board decision-making

During the year, we significantly improved our Board meeting processes to provide greater structure, consistency and clarity. This included the introduction of forward-looking agendas to ensure that the Board and its Committees are able to effectively discharge their responsibilities. We also introduced standardised cover paper templates, which clearly set out the purpose of each agenda item, the context for discussion and the specific action required from the Board. In addition, we enhanced the quality and timeliness of Board papers, providing training to paper-writers and ensuring that materials are circulated sufficiently in advance to enable Directors to review and consider matters in detail ahead of meetings. Lastly, we onboarded a secure board portal to facilitate the efficient and controlled distribution of materials.

These enhancements have strengthened the effectiveness of Board discussions, allowing more time to focus on strategic priorities, key risks and decision-making. They have also supported more informed, rigorous and constructive challenge from our Independent Non-Executive Directors, enhancing overall Board oversight and the quality of decision-making.

Signing authority

We strengthened our governance approach to the execution of documents by introducing a formalised power of attorney structure. This provides greater clarity on delegated authority and ensures that individuals signing on behalf of the Group entities are appropriately authorised within defined parameters. The introduction of powers of attorney has enhanced control and consistency in the execution of documents, reducing operational risk and supporting more efficient day-to-day business. It also provides the Board with greater assurance that contractual commitments are entered into in line with approved authorities and the Corporate Governance Framework.

Focus on strategy

In addition to regular discussions on strategic matters at Board meetings, the Board held a dedicated strategy day in June 2025. The session provided an opportunity for more in-depth consideration of the Group's long-term ambitions, strategic priorities and growth opportunities, supported by robust discussion and challenge from Board members. A key outcome of the strategy day was the Board's alignment on prioritising international expansion as the Group's primary growth strategy, recognising the significant market opportunity beyond the UK and the potential to accelerate value creation through geographic diversification. A similar event took place in June 2026.

Looking ahead

As we look to expand into new markets in the near future through the AB Fjord Bank acquisition and other initiatives, the Board is focused on further scaling and maturing its governance and control frameworks to support effective oversight across an increasingly international footprint. This includes ensuring that governance structures, risk management processes and reporting frameworks remain proportionate, robust and aligned to the complexity of the Group's operations.

The Board will deepen its focus on strategy, with dedicated time allocated to long-term planning, capital allocation and market expansion priorities. In parallel, we will introduce formal succession planning for the Board and key executives to support continuity, resilience and the development of future leadership capability. The Board intends to undertake a formal evaluation of its own effectiveness, as well as that of its committees, to identify opportunities for continuous improvement.

Lastly, the Board will seek to enhance governance practices through continued development of management information and reporting. This will ensure that the Group remains well-positioned to deliver sustainable growth while maintaining high standards of governance and control.

Key activities

We set out below the key matters considered by the Board and its Committees during the year.

Board

Strategic matters

- Received regular reports from the CEO on strategic plans.
- Received reports on developments in existing products and the launch of new products.
- Approved the Group's FY 2027 business plan and budget.
- Approved the acquisition of AB Fjord Bank, subject to regulatory approval.
- Approved the entry into the sponsorship agreement with Arsenal F.C.

Group structure, capital and funding matters

- Received and considered regular reports from the Chief Financial Officer on financial performance against the Group's FY 2026 business plan and budget.
- Approved the incorporation of a wholly owned subsidiary in Lithuania, Arkenstone Holding UAB, to acquire AB Fjord Bank.
- Approved the subscription of shares in the capital of Arkenstone Holding UAB.
- Approved the entry into equity-linked instruments.
- Approved the enhancement of Zilch Technology Limited's regulatory permissions.
- Approved the entry into a revolving credit facility with a debt provider and the amendment of certain existing facility agreements.

Financial reporting matters

- Approved the Company's FY 2025 annual report and accounts.
- Approved the appointment of a new statutory auditor for the Group, subject to shareholder approval.

Internal controls and risk management matters

- Approved a set of risk appetite metrics.
- Received reports on the Group's risk and control processes.
- Received and considered the wind-down plan of Zilch Technology Limited.

Shareholder matters

- Approved the circulation of resolutions to be put forward to shareholders.
- Approved the distribution of each quarterly shareholder letter.
- Approved the transfer of certain shares in the capital of the Company.

Remuneration matters

- Approved the remuneration of non-executive directors.
- Approved the grant of share options to employees, consultants and directors.
- Approved the delegation of authority to the grant of options.

Governance matters

- Received reports from the Board Committees following each meeting.
- Approved the Matters Reserved for the Boards and terms of reference of Board Committees.
- Approved the grant of powers of attorney to certain executives and employees.
- Approved the Corporate Governance Framework.
- Approved the overall levels of insurance.
- Approved the Modern Slavery and Human Trafficking Statement FY 2026.

Board Risk Committee

Risk strategy and risk appetite matters

- Received regular reports from the Chief Risk Officer.
- Oversaw the development of risk appetite and reviewed and recommended the risk appetite matrix.
- Reviewed due diligence on risk matters relating to material transactions and strategic decisions.
- Evaluated emerging risks.

Money laundering and regulatory matters

- Reviewed the Money Laundering Reporting Officer's annual report.
- Reviewed and recommended the approval of Zilch Technology Limited's wind down plan.
- Received regular reports on relations and communications with regulators.

Whistleblowing matters

- Reviewed the Whistleblowing Policy.
- Received an annual report on whistleblowing.

Board Audit Committee

Financial reporting matters

- Reviewed and recommended the FY 2025 Annual Report and Accounts.
- Reviewed and challenged significant accounting policies.
- Evaluated the risks raised in Audit Findings Report.

External audit matters

- Through the BAC Chair, met with the external auditor.
- Reviewed and recommended the appointment of a new external auditor.

Board and Committee attendance

The table below sets out the number of Board and Committee meetings held and attendance by each member during FY 2026.

	Board	BRC	BAC
Total number of meetings	5	4	2
Philip Belamant	5	4	2
Sean O'Connor	5	4	2
Serge Belamant	5	4	1
Pavel Chernyshov	5	4	2
Mark Wilson	3	Not applicable*	Not applicable*

*Mark Wilson is not a member of the BRC or BAC



Directors' report

Group Directors' report for the financial year ended 31 March 2026.

The Directors present their Annual Report and the audited Financial Statements of the Group and the Company for the financial year ended 31 March 2026.

Principal activity

The Company is a financial holding company whose principal activity is to act as the parent of the Group, exercising oversight and control over its subsidiary undertakings (which include regulated entities).

Directors

The names of all persons who were Directors during the year and up to the date of signing are:
Philip Belamant
Serge Belamant
Pavel Chernyshov
Sean O'Connor
Mark Wilson
Dame Clare Barclay DBE (appointed on 17 June 2026)

Director confirmations

Each of the Directors in office at the date the Directors' Report is approved has confirmed that:

i. so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and

ii. the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Director remuneration

Full details of remuneration paid to directors are set out in note 9.

Results and dividends

The Consolidated Statement of Comprehensive Income is set out on page 54 and shows the loss for the year. There were no dividends paid in FY 2026 or the previous financial year.

Our approach to engagement with other stakeholders

We have included a statement in line with our Section 172 requirements under 'Section 172 and stakeholder engagement' on page 30.

Our approach to the environment

The Companies Regulations 2018 implemented the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR). The Group meets the mandatory reporting criteria under this policy by having consumed more than 40 MWh during the financial year. Consistent with our approach to environmental sustainability, we continue to monitor and assess our energy usage and broader environmental impact. While our direct footprint as a technology-led business is relatively limited, we remain committed to identifying opportunities to improve energy efficiency and reduce emissions where practicable.

Environmental considerations are incorporated into our governance, strategy and risk management processes, ensuring that our approach remains proportionate to the scale and nature of our operations while supporting our broader commitment to responsible and sustainable business practices.

The table below presents the Group's emissions under Scopes 1 and 2 for the financial year ended 31 March 2026, with comparative figures for the financial year ended 31 March 2025.

	FY 2026	FY 2025
Energy consumption used to calculate emissions (kWh)	**475,239**	**519,640**
Organisational emissions		
Emissions from combustion gas (tCO_2e) (Scope 1)	60.57	66.98
Emissions from purchased electricity in buildings (tCO_2e) (Scope 2)	18.73	27.17
Total organisational emissions (tCO_2e)	79.30	94.15
Carbon intensity ratio		
Carbon emissions per FTE ($kgCO_2e$/FTE)	284.22	362.15

Our main climate impact relates to the occupied office at 111 Buckingham Palace Road, London.

Scope 1: these are direct emissions that are a result of our business operations. For Zilch, this includes combustion of natural gas in the occupied office.

Scope 2: these are the indirect emissions that occur as a result of Zilch's business operations. For Zilch, this includes electricity consumed in the occupied office.

Methodology

Our emissions are calculated utilising the average kWh per square foot in a standard office space, based on the total space that was occupied during FY 2026 and FY 2025. Due to limitations in accessing actual consumption data, we have relied on these industry averages as a reasonable estimation method. We have also shown above our carbon emissions per FTE, which was calculated by taking our total estimated annual $kgCO_2e$, divided by the average full-time equivalent for the year.

Energy efficiency

This year we have continued to develop our understanding of our carbon footprint to determine what action is needed to reduce and improve it. Therefore, there has not been any specific action taken during the year to reduce our carbon emissions output.

Research and development activities

We have applied to claim a Research and Development (R&D) Expenditure Credit from HMRC for the financial year, see note 12. This is a result of investment in innovative technologies related to our platform and product. Expenses we incurred that meet IAS 38 criteria are recognised as intangible assets and amortised over their expected useful life.

Political donations

We have not made any donations to any registered UK political party or other political organisation.

Acquisition of own shares

We have not purchased any of our own shares.

Branches

We do not have any branches in or outside of the UK.

Matters covered in the Strategic Report

As permitted by section 414C of Companies Act 2006, the Directors have elected to disclose the following information required to be in the Directors' report, in the Strategic Report: how the Directors have engaged with employees and taken account of their interests; and, how the Directors have engaged with suppliers and customers in a business relationship with the Company.

People

As at 31 March 2026, the Group employs 278 people (including contractors). The Group operates a recruitment policy to ensure that all applications, including those from persons with disabilities, are given full and fair consideration based on skills and experience. Candidates are asked at an early stage whether they require reasonable adjustments, which are accommodated where practicable.

The Group also maintains an equal opportunities policy to ensure fair treatment in employment, training, career progression and promotion. Where employees develop a disability during employment, reasonable efforts are made to support their continued employment, including through appropriate adjustments and training.

The Group supports an inclusive workplace through ongoing training, including on equality, diversity and non-discrimination.

Qualifying Third Party Indemnity Provision

The Company's articles of association contain indemnity provisions for the benefit of directors and certain officers which operate to the extent permitted by the Companies Act 2006. Accordingly, the Company has maintained qualifying third party indemnity provisions (as defined in the Companies Act 2006) for the benefit of its directors throughout the financial year and up to the date of approval of this report.

Auditor

Grant Thornton UK LLP resigned as auditor of the Group during the year and KPMG LLP was subsequently appointed as auditor. In accordance with section 487(2) of the Companies Act 2006, KPMG LLP is deemed reappointed as auditor of the Group.

This report, alongside the Strategic Report was approved by the Board of Directors and signed on its behalf by

Philip Belamant

Philip Belamant
Date: 16 October 2026

Statement of Directors' responsibilities

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

The UK Companies Act 2006 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Financial Reporting Standards (IFRSs) and the Company's financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Under applicable law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

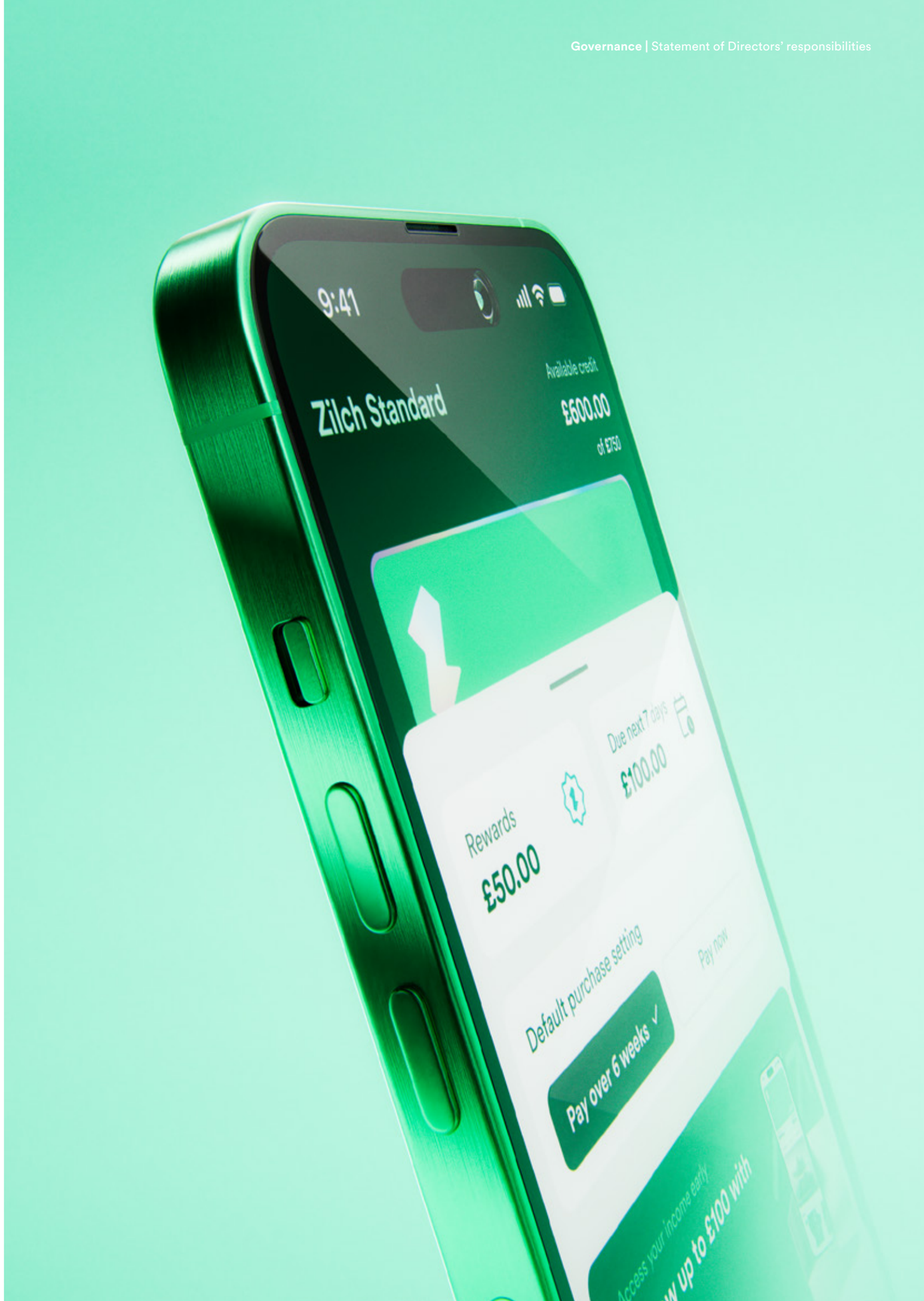
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial positions of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and 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 UK governing the preparation and dissemination of financial statements and other information included in the Directors' report may differ from legislation in other jurisdictions.

Philip Belamant

Philip Belamant
Date: 16 October 2026



Financial statements



Auditor's Report

Independent Auditor's Report to the Members of Zilch Holdings Limited

Opinion

We have audited the financial statements of Zilch Holdings Limited (the "parent Company" or the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2026 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

- To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:
- Enquiring of Directors, the audit committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, and risk committee minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited complexity in the calculation and recognition of revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test at the Group level and for selected components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts and those including a specific description.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

- As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, conduct (including consumer duty) regulations, and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

- In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and Directors' report

The Directors are responsible for the Strategic Report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 46, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Rahim Butt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

16 October 2026



Consolidated statement of comprehensive income

	Note	2026 £'000	Restated 2025[1] £'000
Revenue	5	**147,460**	**108,577**
Credit revenue[2]		108,406	73,905
Transaction revenue		21,184	21,741
Feature revenue		6,894	3,130
Advertising revenue		10,976	9,801
Cost of sales		**(81,850)**	**(55,804)**
Net impairment of financial assets	18	(45,480)	(27,378)
Interest expenses	6	(12,686)	(9,336)
Transaction costs		(23,684)	(19,090)
Gross profit		**65,610**	**52,773**
Administrative expenses[3]		(76,508)	(59,676)
Operating loss before share-based payment expense		**(10,898)**	**(6,903)**
Share-based payment expense	31	(9,260)	(6,723)
Operating loss		**(20,158)**	**(13,626)**
Finance costs	10	(1,403)	(188)
Other income	11	1,518	1,314
Fair value movements on financial liabilities[4]	23	(15,838)	-
Loss before taxation		**(35,881)**	**(12,500)**
Income tax credit/(charge)	12	55	(24)
Loss after taxation		**(35,826)**	**(12,524)**
Loss for the year attributable to:			
Owners of the parent		**(35,826)**	**(12,524)**
Other comprehensive (loss)/income:			
Foreign exchange on translation		(1)	37
Total comprehensive loss for the year net of tax attributable to:			
Owners of the parent		**(35,827)**	**(12,487)**

[1]Comparative information has been restated. Refer to note 33 for further information.
[2]Revenue recognised under IFRS 9 Financial Instruments, using the effective interest rate method, totalled £113.9m (FY 2025: £76.8m). This comprises credit revenue of £108.4m (FY 2025: £73.9m) together with Snooze fees of £5.5m (FY 2025: £2.9m) included within feature revenue.
[3]Administrative expenses include £4.4m (FY 2025: £3.9m) of expected credit losses relating to new customers ("forced churn"). In line with the Group's accounting policy, these are treated as a cost of acquiring new customers and are recognised within customer acquisition costs (a component of administrative expenses). Expected credit losses on returning customers are recognised within cost of sales, and comprise the £45.5m (FY 2025: £27.4m) presented as "Net impairment of financial assets". Refer to note 18 for further information.
[4]Represents the non-cash remeasurement of convertible equity notes designated at fair value through profit or loss. The charge has no impact on the Group's cash flows and is excluded from adjusted loss before tax. Refer to note 23 for further information.

Consolidated statement of financial position

Company number: 11887457

	Note	2026 £'000	Restated 2025[1] £'000
Assets			
Non-current assets			
Property, plant and equipment	13	301	320
Right-of-use assets	14	1,349	2,928
Intangible assets	15	6,589	4,199
Investments	16	1,911	-
Other receivables	19	-	563
Total non-current assets		**10,150**	**8,010**
Current assets			
Trade and other receivables[2]	17	25,004	21,891
Consumer loan receivables	18	129,950	109,348
Cash and cash equivalents[2]	20	106,460	48,206
Inventory		152	-
Current tax assets		183	220
Total current assets		**261,749**	**179,665**
Total assets		**271,899**	**187,675**
Equity			
Share capital	27	1	1
Share premium	28	851	851
Merger reserve	29	210,748	210,748
Warrant reserve	30	200	200
Foreign currency translation reserve		121	122
Retained losses	32	(192,286)	(165,527)
Equity attributable to owners of the parent		**19,635**	**46,395**
Total equity		**19,635**	**46,395**
Liabilities			
Non-current liabilities			
Lease liabilities	22	-	1,722
Other financial liabilities	24	175,239	121,076
Other liabilities	25	-	1,862
Total non-current liabilities		**175,239**	**124,660**
Current liabilities			
Trade and other payables	21	10,902	8,504
Lease liabilities	22	1,726	1,908
Other financial liabilities[3]	23	64,397	6,208
Total current liabilities		**77,025**	**16,620**
Total liabilities		**252,264**	**141,280**
Total equity and liabilities		**271,899**	**187,675**

[1]Comparative information has been restated. Refer to note 33 for further information.
[2]Cash and cash equivalents and trade and other receivables at 31 March 2025 reflect reclassifications. Refer to note 34 for further information.
[3]Other financial liabilities include £63,234k of convertible equity notes as at 31 March 2026, which will be settled through the issue of the Company's own shares. On conversion, the carrying value is transferred to equity with no cash outflow. Refer to note 23 for further information.

The consolidated financial statements were approved and authorised by the Board and were signed on its behalf by:

Philip Belamant

Philip Belamant
Date: 16 October 2026

Consolidated statement of cash flows

	Note	2026 £'000	Restated 2025[1] £'000
Cash flows from operating activities			
Loss after taxation		(35,826)	(12,524)
Adjustments for non-cash items and other adjustments	20	96,306	52,384
Changes in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables[2]	17	(2,439)	2,464
Increase in trade and other payables	21	2,424	1,335
(Increase) in consumer loan receivables	18	(72,778)	(95,333)
Increase/(decrease) in other financial liabilities		116	(190)
(Increase) in inventories		(510)	-
Income tax receipt/(paid)		69	(7)
Net cash used in operating activities		**(12,638)**	**(51,871)**
Cash flows from investing activities			
Purchases of property, plant and equipment	13	(154)	(217)
Acquisition of intangible assets	15	(4,713)	(3,456)
Proceeds on disposal of fixed assets		9	-
Investment in overseas entities	16	(1,911)	-
Net cash used in investing activities		**(6,769)**	**(3,673)**
Cash flows from financing activities:			
Drawdown of debt facilities	24	86,500	95,892
Repayment of debt facilities	24	(32,000)	(15,000)
Interest paid on debt facilities[3]		(12,444)	(8,313)
Debt issue costs	24	(1,867)	(1,446)
Proceeds from issuance of shares	27, 28	-	858
Capital raising costs	28	-	(7)
Cash flows from equity-linked instruments		39,344	5,880
Repayments of lease liabilities	22	(1,870)	(1,209)
Net cash from financing activities		**77,663**	**76,655**
Net increase in cash and cash equivalents		**58,256**	**21,111**
Cash and cash equivalents at the beginning of the year[2]	20	48,206	27,059
Effect of foreign exchange rate changes		(2)	36
Cash and cash equivalents at end of the year	20	**106,460**	**48,206**

[1]Comparative information has been restated. Refer to note 33 for further information.
[2]Comparative information has been reclassified. Refer to note 34 for further information.
[3]Interest expense payments relating to financial liabilities were previously presented as operating cash flows in the period ending 31 March 2025. These are now presented as financing cash flows in the current year with prior year comparatives being reclassified accordingly.

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Foreign currency translation reserve £'000	Retained losses £'000	Total equity £'000
At 1 April 2025	**1**	**851**	**210,748**	**200**	**122**	**(165,527)**	**46,395**
Share-based payment awards	-	-	-	-	-	9,260	9,260
Other equity transactions	-	-	-	-	-	(193)	(193)
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**9,067**	**9,067**
Loss for the year	-	-	-	-	-	(35,826)	(35,826)
Other comprehensive expense	-	-	-	-	(1)	-	(1)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(1)**	**(35,826)**	**(35,827)**
At 31 March 2026	**1**	**851**	**210,748**	**200**	**121**	**(192,286)**	**19,635**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Foreign currency translation reserve £'000	Retained losses £'000	Total equity £'000
At 1 April 2024	**1**	**-**	**210,748**	**200**	**85**	**(157,816)**	**53,218**
Effect of restatement[1]	**-**	**-**	**-**	**-**	**-**	**(1,742)**	**(1,742)**
At 1 April 2024 – restated[1]	**1**	**-**	**210,748**	**200**	**85**	**(159,558)**	**51,476**
Shares issued	-	858	-	-	-	-	858
Transaction costs deducted from equity	-	(7)	-	-	-	-	(7)
Share-based payment awards[1]	-	-	-	-	-	6,555	6,555
Transactions with owners	**-**	**851**	**-**	**-**	**-**	**6,555**	**7,406**
Loss for the year	-	-	-	-	-	(12,524)	(12,524)
Other comprehensive income	-	-	-	-	37	-	37
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**37**	**(12,524)**	**(12,487)**
At 31 March 2025 – restated[1]	**1**	**851**	**210,748**	**200**	**122**	**(165,527)**	**46,395**

[1]Comparative information has been restated. Refer to note 33 for further information.

Notes to the financial statements

1 General information

Zilch Holdings Limited (the "Company") is a private company, limited by shares, registered in England and Wales with company number 11887457. The Company was incorporated on 18 March 2019 and is the ultimate parent company of the Zilch Group, which comprises the Company and its subsidiaries. The address of the registered office is 111 Buckingham Palace Road, London, England, SW1W 0SR. The consolidated financial statements for the year ended 31 March 2026 consist of the Company and its subsidiaries, which together make up the Group.

The Zilch Group is an ad-enabled technology platform built at the intersection of payments, advertising and credit. Through a direct-to-consumer model, Zilch provides its customers with the means to pay on their own terms, wherever they choose to shop. The primary goal is to improve credit accessibility and affordability for all consumers, driving tangible value for both customers and merchants.

2 Material accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom (UK) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) and in conformity with the requirements of the Companies Act 2006.

All financial information is presented in pounds sterling ('£'), which is the Group's functional currency, rounded to the nearest thousand (£'000), unless otherwise stated. They have been prepared using the historical cost convention except that as disclosed in the accounting policies below, including financial assets and liabilities measured at fair value through profit or loss and fair value through other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Preparation of financial statements requires management to make significant accounting judgements, estimates and assumptions, which have been disclosed below in note 3.

2.2 Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes that the Group will continue to meet its liabilities as they fall due.

The Group's loss for the financial year amounted to £35.8m (FY 2025: £12.5m). The Group had net assets of £19.6m at 31 March 2026 (FY 2025: £46.4m), including a cash balance of £106.5m (FY 2025: £48.2m). The loss for the year comprises £9.3m of share-based payments and £15.8m of fair value movements on financial liabilities expenses. These represent non-cash, equity-settled transactions, and therefore do not affect the cash flow statement or the underlying commercial performance of the business.

In the year ended 31 March 2026, the securitisation debt facility limit was increased from £150m to £200m. The scheduled maturity date of the current facility is in October 2027 with a following wind down period of 12 months so is classified as a non-current liability.

At 31 March 2026, there was a total of £39m undrawn amount on the securitisation debt facility.

Additionally, the Group entered into a corporate debt facility with Deutsche Bank via Zilch Technology Limited, which has a facility limit of £30m. The Group has currently drawn £15m at the balance sheet date. The debt is secured by certain assets of Zilch Technology Limited with recourse to the wider Group limited to terms standard for a corporate debt facility of this nature. The scheduled maturity date of the current facility is in September 2029.

The Directors expect that the securitisation facility term will be extended and senior commitments increased in the near future and at this advanced stage in the negotiations the directors are highly confident they will be successful in securing this extension. The Group's short book duration provides an ongoing source of funding liquidity, in conjunction with ad hoc commitment increases.

Having undertaken this assessment, including considerations of relevant severe but plausible scenarios, including the impact of significant downturn in macroeconomic conditions on the business, the Directors have a reasonable expectation that the Group has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Board considers it appropriate to prepare the financial statements on a going concern basis.

2.3 Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary undertakings. A subsidiary is an entity where the Company has control over that investee. The Company controls an investee when it has the power to govern the financial and operating policies of the investee to obtain benefits from its activities. This means having power over the investee, the exposure to variable returns from involvement with the investee and the ability to use power over the investee to affect the amount of the Company's returns.

The results of subsidiary undertakings acquired or disposed of during the financial period are included from, or up to, the effective date of acquisition or disposal. Uniform accounting policies have been adopted across the Group. The acquisition method of accounting is used to account for business combinations by the Group.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Where the Group does not control the voting rights of a securitisation entity, but the Directors have determined that the Group otherwise controls such entity, it is treated as a subsidiary and is consolidated. Control is determined to exist if the Group has the power to direct the activities of the entity and is exposed to a variable return.

The following UK subsidiary will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 March 2026. The undertaking listed below is 100% owned by Zilch Holdings Limited.

Company name	Company number
Zilch Compare Limited	15647705

The Company, as the parent undertaking, is providing a guarantee for Zilch Compare Limited in accordance with section 479C of the Companies Act 2006 as at 31 March 2026.

2.4 New standards and interpretations

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the group 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 Group 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.

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

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

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 Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

There are no other new or updated standards or interpretations that are effective for the first time for the financial year beginning on or after 1 April 2025 that would be expected to have a material impact on the Group.

2.5 Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency of pound sterling by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are recognised in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

On consolidation, assets and liabilities have been translated into pound sterling at the closing exchange rate as at the reporting date. Income and expenses have been translated into GBP at the monthly exchange rates over the reporting period. Exchange differences are charged/credited to other comprehensive expense/income and recognised in the foreign currency translation reserve in equity.

2.6 Revenue

The Group earns credit revenue and Snooze fees which are considered integral to the consumer loan receivable and are therefore recognised using the effective interest rate method in accordance with IFRS 9. All other revenue streams

are distinct from the consumer loan receivable and are recognised when the relevant performance obligations have been satisfied, in accordance with IFRS 15, Revenue from Contracts with Customers.

Revenue (excluding sales tax) is reduced for estimated customer returns and other similar allowances. Every merchant has a different returns policy, in most instances up to a maximum of 180 days. Interchange revenue is refundable upon a customer return and notification by the merchant. Fees charged to customers for which there is a subsequent return are non-refundable. Returns are provided for based on historic return rates.

These revenue streams have been categorised as follows:

Credit revenue

Fees are paid directly by the customer on checkout where they have purchased from a merchant, utilising credit to split the cost over instalments. Lower or no fees may apply where the app purchase journey is followed instead of opting to transact using the virtual card through their device wallet.

Fees are also paid directly by customers at checkout when they purchase from a merchant that has either an indirect agreement with the Group, provided through an affiliate network, or a direct agreement with the Group, but where the rate agreed with the merchant is insufficient to fully subsidise the cost of the transaction for the customer.

Additionally, out-of-network fees are also paid directly by the customer on checkout where they have purchased from a merchant which does not have an indirect (provided via an affiliate network) or a direct agreement with the Group.

The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the consumer loan receivable. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement.

Transaction revenue

Interchange revenue is related to fees paid between issuing and acquiring banks for the acceptance of card-based transactions. Interchange is paid to the Group by the relevant card scheme. The Group earns interchange revenue at a percentage of total settlements. The performance obligation is satisfied when a customer makes a purchase (either Pay over 6 weeks, Pay over 3 months or Pay now).

Feature revenue

Snooze fees from customers

Snooze fees are charged when a customer opts to delay an eligible instalment on a Pay over 6 weeks or Pay over 3 months plan. Revenue is recognised over the expected remaining life of the financial instrument, including the period the customer elects to snooze.

Other feature revenue

Other feature revenue is considered a distinct performance obligation satisfied over time or at a point in time.

Advertising revenue

Tenancy revenue

Tenancy revenue relates to marketing services provided to certain merchants, and is recognised over the period of the agreement with the merchant.

Affiliate revenue

Affiliate revenue is marketing fees paid by merchants in exchange for successful checkout by customers introduced by the Group. Affiliates are accessed either through an indirect agreement (provided via an affiliate network) or a direct agreement with the merchant. The performance obligation is satisfied at the time of checkout by the end-consumer. The Group recognises revenue when it has been approved by the affiliate on a monthly basis. For any pending commissions not yet approved revenue is estimated using historic approval rates.

2.7 Interest expenses

Interest expenses represent bank charges and interest payable on other liabilities recognised using the effective interest rate method. Debt issue costs are deducted from the carrying amount of the related debt and amortised over the term of the loan using the effective interest method.

2.8 Transaction costs

Transaction costs represent the direct cost of issuing and processing a transaction and acquiring the payment from the customer, and both utilised and unutilised customer rewards.

2.9 Customer acquisition costs

Customer acquisition costs include the cost of acquiring and onboarding new customers, provision for rewards related to customer referrals, and provision for credit losses pertaining to new customers.

2.10 Finance costs

Finance costs represent costs of borrowings and interest expense on lease liabilities using the effective interest method over the lease term.

Lease liabilities are initially measured at the present value of lease payments and subsequently increased by interest expense and reduced by lease payments made.

2.11 Taxation

Income taxes consist of current tax and deferred tax. Income taxes are reported directly in the consolidated income statement except when the underlying transaction is reported directly against equity or other comprehensive income, in which case also the accompanying tax is reported in equity or other comprehensive income.

Deferred tax is reported according to the balance sheet method for all temporary differences between an asset's or a liability's tax base and its carrying amount in the balance sheet. Deferred tax assets are reported for non-utilised tax relief to the extent it is probable that the relief will be able to be offset against future taxable surpluses. Deferred taxes are estimated according to the tax rate that is expected to apply at the time of taxation. Deferred tax liabilities are always provided for in full.

2.12 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Computer equipment 3 years
- Office equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Any impairment identified is charged in the consolidated income statement.

2.13 Leases

The Group assesses the contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As at 31 March 2026, the Group is a lessee in its lease arrangements and is not a lessor.

The Group applies a single recognition and measurement approach for all lessee leases, except for the short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as leased assets, when new, with a value of £5k or less). The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying assets are available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset, otherwise the right-of-use asset is depreciated over the duration of the lease agreement. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in the consolidated statement of financial position as a separate line item and periodically reviewed for impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the rate implicit in the lease if it is readily determinable. However, if the implicit rate is not readily determinable, the Group applies an appropriate incremental borrowing rate, reflecting the rate the Group would be able to borrow over a similar term in the relevant economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification or change of lease term (payments depending on interest or rate, or assessment of an option to purchase the underlying asset).

As a practical expedient, IFRS 16 'Leases' permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has elected this practical expedient and will not separate lease and non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2.14 Intangible assets

Research expenditure is recognised as an expense in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

- IT build development expenditure 3-5 years
- Capitalised development costs 3 years

IT build development expenditure capitalised relates to a high-performance credit granting and payment processing platform integrated with third-party systems. A useful life of three to five years is based on expert knowledge provided by the product development team. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

For internally developed customised software, expenditure on the research phase of projects to develop new software for IT is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Group intends to, and has sufficient resources to, complete the project;
- The Group has the ability to use or sell the software; and
- The software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred. Intangible assets capitalised in respect of domain names (considered to have an indefinite useful life) are held at cost and reviewed annually for impairment, in accordance with IAS 36.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. This definition is also used for the consolidated statement of cash flows.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories relate to physical cards held for sale to customers in the ordinary course of business.

2.17 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. Where the carrying amount exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.18 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated income statement.

2.19 Financial assets

Financial assets are subsequently classified into the following specified categories:

- amortised cost;
- financial assets at fair value through other comprehensive income (FVOCI); and
- financial assets at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These are initially measured at fair value plus transaction costs that are directly attributable to the financial asset. These are subsequently measured at amortised cost, using the EIR method for income recognition, less impairment provisions for expected credit losses. The losses arising from impairment are recognised in the income statement within the line item 'net impairment of financial assets'.

Financial assets measured at amortised cost mainly comprise consumer loan receivables, cash and cash equivalents, and other receivables.

Financial assets designated as FVOCI

The classification depends on the nature and purpose of the financial asset, i.e. the Group's business model for managing the financial assets and the contractual terms of the cash flows and is determined at the time of initial recognition.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in an investments revaluation reserve. The cumulative gain or loss is not reclassified to the income statement on disposal of the equity investments, instead, it is transferred to retained earnings.

Financial assets designated as FVOCI comprise equity investments, which are classified as Investments.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL.

No financial assets are measured at fair value through profit or loss.

2.20 Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Specific provision for impairment is made through the consolidated income statement when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

2.21 Consumer loan receivables

Consumer loan receivables in respect of Pay over 6 weeks, and Pay over 3 months transactions are receivable in instalments over a period of 6 weeks and 3 months respectively, from the transaction date. The Group provides credit to the consumers over time but settles with the merchant at the point of sale. Zilch collects payment from consumers via a merchant acquirer, and therefore takes on the settlement risk on behalf of the merchant. Consumer loan receivables are recognised and carried at the lower of the transaction purchase amount less any instalments paid, and the recoverable amount, taking into account factors such as financial difficulty and fraud. The provision for impairment of consumer loan receivables is determined using lifetime ECL in accordance with IFRS 9 'Financial Instruments' as set out below.

2.22 Impairment of financial assets

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for consumer loan receivables. The ECL on these financial assets is estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable.

The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For consumer loan receivables which are reported net, the loss is recognised within cost of sales in the consolidated income statement. Receivables are written off once they are 360 days past maturity, being the point at which the Group considers there to be no reasonable expectation of recovery. The gross carrying amount is written off against the associated ECL provision.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated income statement.

Write-offs

Financial assets, mainly consumer loan receivables, are written off when the Group has no reasonable expectation of recovering the financial asset, either in its entirety or partially. A write-off constitutes a derecognition event. The Group may continue to recover the financial asset after write-off, where any subsequent recoveries are recognised in the consolidated income statement within line 'net impairment of financial assets'.

2.23 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Trade and other payables

Short-term payables are measured at the transaction price. Other financial liabilities are measured at fair value or subsequently at amortised cost using the effective interest method as detailed below.

Financial liabilities at fair value through profit or loss

The Group recognises cash-settled share-based payment and equity-linked financial liabilities at fair value through profit or loss. These liabilities are remeasured at each reporting date, with changes in fair value recognised in the consolidated income statement.

Financial liabilities measured subsequently at amortised cost

All other financial liabilities are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated income statement.

2.24 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Warrant awards

Warrant awards issued to capital introducers, entitling the holder a right to acquire a fixed number of shares in the Company in the future for a fixed price upon certain trigger events, are classified as equity instruments. The fair value of such warrant awards is measured at the grant date and is not subsequently remeasured.

2.25 Share-based payments

The Group engages in share-based payment transactions in respect of services received from employees and others providing similar services.

Equity-settled awards

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date in line with IFRS 2 'Share-based Payment'. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 31.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated income statement such that the cumulative expense reflects the revised estimate, with a corresponding credit to equity.

It is assumed where the Company grants awards to employees of the Company and its subsidiaries, the employee offers services to the respective employing entity only. Where the Company satisfies awards granted to an employee of its subsidiary, there is no obligation for the subsidiary to reimburse the Company. Consequently, all share-based payments are considered equity-settled with any awards to an employee of its subsidiary being deemed a capital contribution with a corresponding debit to investment in subsidiaries. As the Company is settling these awards through its own equity instruments, there is a corresponding credit to the retained earnings account. The Group recognises the expense of share-based payments in the respective entity of the employee.

Cash-settled awards

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability in line with IFRS 2. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the consolidated income statement.

2.26 Pensions

The Group operates a defined contribution pension plan for its employees. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated income statement when they fall due. Amounts not paid are shown in accruals as a liability in the consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.27 Equity and reserves

Share capital represents the nominal value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Share Premium – comprises the difference between the value of the shares on issue and their nominal value;
- Merger Reserve – the merger reserve represents the difference between the nominal value of shares issued by the Company and the carrying amount of the net assets acquired as a result of a share-for-share exchange, accounted for as a common control transaction;
- Warrant Reserve – warrant reserves represent the cumulative fair value of warrants issued that meet the equity classification criteria under IFRS, recognised within equity at grant date and not subsequently remeasured, with movements arising from new issuances, exercises, or expirations reflected within this reserve;
- Foreign Currency Translation Reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into GBP;
- Retained Losses – comprises all current and prior period retained losses net of all adjustments and transactions with owners.

2.28 Statement of cash flows

The statement of cash flows is reported using the indirect method. The statement is divided into cash flows from operating activities, investing activities and financing activities. Operating activities stem mainly from revenue-producing activities of the entity. Operating cash flows include cash received from customers and cash paid to suppliers and employees. Investing activities are the acquisition and disposal of long-term assets and other investments that are not considered to be cash equivalents. Financing activities are activities that alter the equity capital and borrowing structure of the entity.

3 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at 31 March 2026, the Group had the following key areas of estimation uncertainty.

Key areas of estimation uncertainty

Net impairment of financial assets in respect of consumer loan receivables

Management estimates the required impairment of consumer loan receivables at the balance sheet date applying an expected credit loss model using a provision matrix. Management recognises lifetime expected losses on assets without the need to identify significant increases in credit risk. In addition, management has considered the sensitivity of the expected credit loss provision to reasonably possible changes in key assumptions and does not expect such changes to have a material impact on the provision recognised at the reporting date.

Our estimates are driven by a number of factors, including the likelihood of default, the potential amount of loss incurred if delinquent, our assessment of the credit risk associated with the receivable and their probability weightings. Due to the short nature of the consumer loan receivables, wider macroeconomic factors do not significantly impact the provisioning for credit losses.

Using data and market observations from inception to the reporting date, management have calculated historical loss rates for instalments. Total credit losses comprise bad debts and "forced churn" debts, which refers to new customers who fail payments and are not allowed back on to the Group platform. Receivables are charged off when there is no reasonable expectation of recovery.

Share-based payments

The fair value of share-based payment awards is determined using the Black-Scholes-Merton option-pricing model. Selecting the valuation methodology and assumptions requires judgement. Key inputs include the underlying share price, expected life, volatility, and risk-free interest rate. Observable market information is used where available; otherwise, management uses its best estimate of assumptions that market participants would apply.

As the Group's shares are not publicly traded, the underlying share price is a significant estimate. It is determined at the relevant measurement date by reference to recent orderly, arm's-length transactions, where sufficiently current and representative, and may be corroborated using comparable-company, transaction-multiple or discounted-cash-flow methods. Recent transaction prices are not applied mechanically; management considers their timing and size, investor independence, share-class rights and preferences, and subsequent changes in performance, forecasts, financing and market conditions.

Significant management judgements in applying the Group's accounting policies

Fair value of equity-linked financial liabilities

The Group's convertible equity notes are measured at fair value through profit or loss, with fair value determined by reference to the shares expected to be issued on conversion. The timing of that conversion is a key judgement, and management expects a qualifying conversion event to occur in the near term. As the inputs significant to the measurement are unobservable, management has performed a sensitivity analysis over reasonably possible alternative assumptions in assessing the fair value recognised at the reporting date and the impact is not material.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: capital risk, credit risk, interest rate risk and liquidity risk. To manage these risks, management operate a risk management programme focused on monitoring market trends in the fintech industry, debt collection procedures for consumer loans and use of reputable third-party acquiring and issuing facilities to help manage cash flow.

Credit risk management

Credit risk is the risk of loss to the Group from the failure of customers to honour their obligations either due to default or where a transaction was initiated fraudulently (by a first or third party).

Credit risk governance

Given the significance of credit risk to Zilch's business model, Zilch maintains a comprehensive risk management framework intended to support sustainable portfolio performance, responsible lending outcomes and effective management of changing economic conditions. Credit risk governance is supported through formal policies, oversight committees and ongoing monitoring of key portfolio risk indicators.

Zilch's lending model is focused on short-duration unsecured consumer receivables generated primarily through its Pay over 6 weeks and Pay over 3 months instalment products. These products are structured around regular scheduled repayments over relatively short timeframes, providing ongoing visibility over customer repayment behaviour and enabling Zilch to assess changes in portfolio performance over short periods. The nature of the portfolio allows underwriting strategies, affordability assessments and broader risk controls to be reviewed and adjusted dynamically in response to observed customer outcomes and emerging macroeconomic trends.

Credit risk appetite

New customers are onboarded through a fully digital application journey designed to support real-time credit decisioning. As part of the onboarding process, Zilch performs a series of identity verification, fraud prevention and credit risk assessments using a combination of third-party data providers and internally developed models. These checks are intended to verify customer identity, identify potentially fraudulent applications and assess whether a customer is likely to be able to meet their repayment obligations before any lending exposure is approved.

The onboarding decision process incorporates information obtained from credit reference agencies alongside customer application data and affordability assessments. Affordability considerations form a key part of the approval process and are used to determine appropriate exposure levels for individual customers. Initial limits are assigned on a risk-based basis, taking account of factors including reported indebtedness, credit commitments, repayment history and broader indicators of financial resilience. Customers assessed as presenting a higher level of risk will receive lower initial limits, restricted product access or may be declined altogether where they fall outside the Group's risk appetite.

Zilch periodically reviews onboarding models, approval criteria and limit-setting methodologies to ensure they remain aligned to observed portfolio performance and prevailing economic conditions. Performance insights from existing customer cohorts are incorporated into these reviews and are used to refine future onboarding and affordability assessments where appropriate.

Credit risk management and monitoring

Zilch monitors the performance of its credit portfolio on an ongoing basis using a range of customer, account and portfolio-level indicators intended to support responsible lending and prudent credit risk management. Customer accounts are subject to regular review using both internal behavioural information and external data sources, including updated credit bureau information. These reviews enable Zilch to assess changes in customer creditworthiness, repayment behaviour and affordability over time, ensuring that lending decisions continue to reflect a customer's current financial circumstances rather than relying solely on information obtained at onboarding.

Zilch's ongoing credit management framework is designed to ensure that customer spending remains affordable and proportionate to individual financial circumstances. Credit limits and product access may therefore be adjusted periodically based on updated affordability assessments, repayment performance and broader risk indicators. This dynamic approach allows Zilch to support continued access to credit for customers demonstrating sustainable repayment behaviour, while also reducing exposure where emerging signs of financial stress or increased risk are identified. In addition to supporting good customer outcomes, this approach assists Zilch in maintaining a portfolio profile weighted towards lower-risk and sustainable lending activity.

Given the frequency of customer transactions and repayments across the platform, Zilch is able to maintain a highly granular and near real-time view of customer performance. Regular repayment activity provides ongoing insight into changes in customer financial behaviour, enabling Zilch to identify potential signs of financial difficulty at an early stage and take appropriate action where required. Such actions may include reducing available limits, restricting future lending exposure or applying additional monitoring and customer support measures. Zilch believes this continuous visibility over customer behaviour represents an important risk management feature of its lending model when compared with more traditional revolving credit products.

Zilch's products are generally characterised by short repayment durations and regular scheduled repayments, which are intended to support responsible borrowing behaviour and encourage customers to repay balances within defined timeframes. This structure reduces the risk of customers remaining in prolonged or persistent debt positions and allows Zilch to reassess affordability and risk exposure frequently throughout the customer lifecycle. The short-term nature of the portfolio also provides Zilch with the ability to respond rapidly to changes in macroeconomic conditions, customer behaviour or broader credit trends by adjusting underwriting strategies, exposure limits and approval criteria over relatively short periods of time.

As part of its customer management approach, Zilch also provides customers with the ability to proactively manage individual repayment dates through its "Snooze" functionality. This feature enables customers, for a fee, to defer an individual repayment by up to eight days where they require additional short-term flexibility in managing cash flow. This functionality supports improved customer outcomes by allowing repayments to better align with customers' income and spending cycles, helping customers remain up to date with payments and reducing the likelihood of missed repayments arising from short-term liquidity constraints.

Portfolio performance, arrears trends, impairment metrics and broader credit risk indicators are reviewed regularly through established governance forums involving risk, finance and operational stakeholders. Underwriting strategies, limit-setting approaches and collections policies are periodically recalibrated to reflect observed portfolio performance, evolving customer behaviour and prevailing economic conditions. Where appropriate, management may also introduce temporary overlays, policy adjustments or enhanced monitoring controls in response to emerging risks or periods of heightened economic uncertainty.

Maximum exposure to credit risk

Maximum exposure to credit risk represents the Group's risk of financial loss if a counterparty defaults. The measurement of a financial asset's maximum exposure to credit risk varies depending on its classification.

Financial assets measured at amortised cost or FVOCI (subject to ECL requirements) have a maximum credit risk exposure equal to their gross carrying amount, before ECL provisions. The Group does not have any financial assets measured at FVTPL (not subject to ECL).

The Group does not have undrawn commitments in relation to its consumer loan receivables as these credit facilities are not committed so can be withdrawn at our discretion as outlined above.

The maximum exposure to credit risk at the reporting date is shown below:

	2026 £'000	Restated and Reclassified 2025[1] £'000
Cash and cash equivalents	106,460	48,206
Consumer loan receivables	191,110	145,955
Trade receivables	235	269
Other receivables	19,016	19,370
Total	**316,821**	**213,800**

[1]Comparative information has been restated and reclassified. Refer to note 33 and 34 respectively for further information.

Concentration of credit risk

The Group's credit exposure is not considered to give rise to material concentration risk. Lending is provided through an unsecured, short-term lending product to individual retail customers, with exposures typically granular in nature and spread across a broad customer base. As such, the portfolio does not contain large single-name, sector, industry, or other specific concentrations.

Credit risk is instead primarily driven by individual customer affordability, creditworthiness, repayment behaviour, and broader macroeconomic conditions affecting retail consumers. These risks are managed through established underwriting criteria, credit limit controls, portfolio monitoring, arrears management, and regular review of credit performance trends.

While the Group does not have material concentration risk in the traditional sense, management continues to monitor the portfolio for emerging concentrations, including by customer segment, geography, vintage, acquisition channel, credit score band, limit band, and arrears status. Where any adverse trends or concentrations are identified, appropriate mitigating actions are considered as part of the wider credit risk management framework.

ECL allowance assessment and impairment methodology

Zilch recognises credit impairment in respect of consumer loan receivables in accordance with IFRS 9, under which a lifetime expected credit loss ("ECL") allowance is recognised for consumer loan receivables due to the short-term nature of our loans.

The allowance is updated at each reporting date to reflect changes in credit risk and is estimated using Zilch's historical credit loss experience, adjusted for receivable-specific factors, and current and forecast economic conditions.

Management estimates the required impairment provision using an expected credit loss model and provision matrix. The key drivers of the ECL estimate include the likelihood of default, the potential loss if an account becomes delinquent, and the assessed credit risk of the receivable. Given the short-term nature of Zilch's consumer loan receivables, macroeconomic factors are not considered to have a significant impact on credit loss provisioning.

Zilch maintains an allowance for credit losses at a level considered sufficient to absorb expected losses within the loan portfolio, taking account of known and inherent risks. The allowance is determined by estimating expected credit losses over the remaining contractual term using historical loss rates. Zilch also uses historical loss experience to assess different loss patterns across customer groups, including "New Customer" (Forced Churn) and "Returning Customer" (Expected Credit Loss) populations.

Balances are written off when the probability of recovery is assessed as remote, or where there is no reasonable expectation of material recovery. This approach ensures that receivables remain stated net of amounts that are not expected to be recovered, while recoverability and portfolio performance continue to be monitored through Zilch's wider credit risk management, collections, and arrears oversight processes.

The tables below provide an analysis of the Group's consumer loan receivables portfolio at the reporting date by key credit risk characteristics:

Consumer loan receivables by ageing	2026 £'000	2025 £'000
Not past due	136,727	109,747
Past due (< 30 days)	7,283	6,566
Past due (30 to 360 days)	47,100	29,642
Total	**191,110**	**145,955**

Consumer loan receivables by credit rating	2026 £'000	2025 £'000
1. Poor & Below	78,037	66,822
2. Fair & Good	84,544	62,113
3. Excellent & Above	28,529	17,020
Total	**191,110**	**145,955**

The above credit ratings reflect the credit profile of customers and are categorised as follows:

- Poor & Below includes customers with limited credit histories or indicators of greater financial vulnerability.
- Fair & Good includes customers with established credit histories and generally balanced credit profiles.
- Excellent & Above includes customers with strong credit histories and evidence of consistent, responsible financial management.

Interest rate risk

In line with the inflationary pressures, high interest rates significantly changed the operating landscape as the Group saw private equity funding taper and customer spending start to shift, given the impact of the cost of living.

Continued volatility in interest rates and inflation may adversely impact the Group's customers' spending levels and ability and willingness to pay outstanding amounts owed to the Group. Higher interest rates may lead to higher payment obligations on the Group's future credit products, or to their lenders under mortgage, credit card, and other loans. Therefore, higher interest rates may lead to increased delinquencies, charge-offs and allowances for loans and interest receivable, which could have an adverse effect on the Group's operating results. Interest-rate risk is the possibility that changes in interest rates will result in higher financing costs from interest-bearing financial liabilities.

The Group is exposed to interest-rate risk from floating interest rate borrowings under its bank debt facilities. In a stressed scenario, an increase of 100 basis points in the interest rates of interest-bearing liabilities at the reporting date would have changed profit or loss and equity by £1,490k (FY 2025: £828k).

Where appropriate, the Group may adjust its pricing to reflect changes in funding costs; however, any such changes may be subject to a lag due to pricing decisions, contractual arrangements and required customer or merchant notifications.

Capital risk management

Capital risk is the risk that the Group has an insufficient level or composition of capital to support its business operations and to meet any capital requirements. The capital of the Group comprises the called-up share capital in relation to ordinary shares, share premium, merger, warrant and foreign currency translation reserves and retained losses. The Group's objective when managing capital is to ensure the Group continues as a going concern and is able to meet its liabilities as and when they fall due.

The securitisation facility is a primary capital risk management tool as it provides matched, scalable funding of the receivables book. The term of the facility and unutilised commitment is maintained with sufficient capacity to fund future receivables book growth in line with the business plan.

The Group's debt facilities contain borrowing base requirements, effectively imposing minimum capital requirements. Increased delinquencies increase the capital required, and vice versa. Portfolio performance, including delinquency levels, is monitored on an ongoing basis together with regular capital forecasting.

As at 31 March 2026, there was a total of £39m unutilised facility commitment with a remaining revolving period of 18 months, during which new loan receivables can be funded under the facility terms. The maturity date of the debt follows after a subsequent 12 month amortisation period.

Details of capital held can be found in the consolidated statement of financial position and notes.

Liquidity risk

Liquidity risk refers to the possibility that the Group may be unable to fulfil its financial obligations when due, primarily operating expenses and settlement of consumer loans. The Group manages its liquidity requirements by projecting daily cash inflows and outflows from its operations and the consumer loan portfolio.

The Group's objective is to maintain excess cash and funding commitments to meet its liquidity requirements. This objective was met for the reporting periods by keeping all cash as readily available and increasing the commitment and scope of asset-backed funding lines.

The risk of meeting settlement obligations in relation to consumer lending is mitigated by matched funding facilities. Funding eligibility criteria are aligned to the Group's underwriting policies and sufficient committed facilities are maintained to execute the business plan. The debt facilities are extended annually to maintain the facility term. The Group maintains sufficient excess liquidity for daily card scheme settlements from multiple sources including a pre-funded settlement limit with Visa and restricted cash held within the securitisation.

The collateral and financial covenants are monitored daily and reported externally as frequently as weekly. The relevant thresholds have been set at levels that are outside of internal risk appetite, in terms of asset performance and the business' balance sheet composition. As such, material levels of headroom are present at all times. During the FY 2026 seasonal period delinquency performance was well below the threshold level.

5 Revenue

Revenue is presented in disaggregated form within the consolidated statement of comprehensive income, reflecting the nature and diversity of revenue sources available to the Group. Accordingly, this note does not repeat those disclosures.

The majority of revenues were generated from UK-based customers in FY 2026 and FY 2025.

6 Interest expenses

	2026 £'000	2025 £'000
Interest expense on financial liabilities held at amortised cost	11,025	8,173
Debt issue costs	1,438	1,023
Other	223	140
Total	**12,686**	**9,336**

7 Loss for the year

Loss for the year is stated after charging:	Note	2026 £'000	Restated 2025[1] £'000
Depreciation of property, plant and equipment	13	175	195
Depreciation of right-of-use assets	14	1,442	1,573
Amortisation of intangibles	15	2,323	1,104
Net impairment of financial assets	18	45,480	27,378
Fair value movements on financial liabilities	23	15,838	-
Customer acquisition costs*		12,904	9,829
Share-based payments expense	31	9,260	6,723
Restructuring fees		-	270
Audit fees net of VAT		480	184

[1]Comparative information has been restated. Refer to note 33 for further information.
*Customer acquisition costs include provision for credit losses pertaining to New Customers of £4,432k (FY 2025: £3,917k).

During the year the Group capitalised £4,713k of development costs (FY 2025: £3,444k).

8 Staff costs

	2026 £'000	Restated 2025[1] £'000
Wages and salaries*	27,342	23,105
Social security costs	3,661	2,611
Defined contribution pension expenses	726	506
Share-based payment expense	9,260	6,723
Other	475	5
Total	**41,464**	**32,950**

[1]Comparative information has been restated. Refer to note 33 for further information.
*Wages and salaries include contractor costs of £2,776k (FY 2025: £2,649k).

The average monthly number of employees including directors during the year was as follows:

	2026 No.	2025 No.
Product	115	117
Service	159	138
Staff	**274**	**255**
Directors	**5**	**5**

9 Director and key management personnel remuneration

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures:

	2026 £'000	Restated 2025[1] £'000
Short-term employee benefits	925	788
Post-employment benefits	10	33
Share-based payments	3,696	639
Total	**4,631**	**1,460**

[1]Comparative information has been restated. Refer to note 33 for further information.

The highest paid director received remuneration of £450k (FY 2025: £400k). There were no contributions to pension schemes attributable to the highest paid director's qualifying services in FY 2026 (FY 2025: £nil). The highest paid director holds share options under the Zilch Holdings Limited Share Option Plan.

10 Finance costs

	Note	2026 £'000	2025 £'000
Finance costs on corporate debt facility		1,287	-
Interest expense on lease liabilities	22	113	188
Other		3	-
Total		**1,403**	**188**

11 Other income

	2026 £'000	2025[1] £'000
Interest income	1,367	1,314
Other income	151	-
Total	**1,518**	**1,314**

[1]Comparative information has been updated to align with the current period presentation.

12 Taxation

Corporation tax

	2026 £'000	2025 £'000
Current year	20	(10)
Adjustments in respect of prior year	(75)	34
Total	**(55)**	**24**

The tax (credit)/charge for the year can be reconciled to the loss before tax as follows:	2026 £'000	2025 £'000
Loss before tax on continuing operations	**(35,881)**	**(12,500)**
Loss before tax multiplied by the standard corporation tax in the UK of 25% (2025: 25%)	(8,970)	(3,125)
Effects of:		
Expenses not deductible for tax purposes	8,023	3,468
Capital allowances	-	55
Movement in unrecognised deferred tax for carried forward tax losses	946	(125)
Research and development tax credit	(16)	(45)
Difference in corporation taxation rate across the Group	37	(31)
Non-taxable income	-	(207)
Adjustment in respect of prior periods (current tax)	**(75)**	**34**
Total tax (credit)/charge for the period	**(55)**	**24**

Factors affecting tax charges

The changes to the UK Corporation Tax regime announced in 2021 came into effect from 1 April 2023 and remain applicable for the financial year ended 31 March 2026. Under the current structure, companies with taxable profits exceeding £250,000 are subject to the main rate of 25%. Companies with profits up to £50,000 continue to be taxed at the small profits rate of 19%, with marginal relief applying to profits between these thresholds, resulting in a tapered effective rate.

Expenses that are not deductible in determining taxable profits/losses include impairment losses on investment in subsidiaries, amortisation of intangible assets, depreciation of fixed assets, client and staff entertainment costs, professional fees which are capital in nature, fair value movements on financial liabilities and share-based payment expenses.

Tax losses

A deferred tax asset is only recognised to the extent the Group finds it probable that the prior taxable losses can be utilised against future taxable profits. Unused tax losses at the period end date for which no deferred tax asset has been recognised total circa £143.7m (FY 2025 restated: £141.7m). As a high-growth business, the timing and extent of the future profits remain uncertain and cannot be reliably estimated at the balance sheet date.

13 Property, plant and equipment

	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
Balance at 1 April 2024	**47**	**937**	**984**
Additions	-	217	217
Disposals	-	(63)	(63)
Currency translation	-	(2)	(2)
Balance at 31 March 2025	**47**	**1,089**	**1,136**
Additions	34	120	154
Disposals	(10)	(215)	(225)
Currency translation	-	-	-
Balance at 31 March 2026	**71**	**994**	**1,065**
Accumulated depreciation			
Balance at 1 April 2024	**24**	**662**	**686**
Depreciation expense	10	185	195
Disposals	-	(63)	(63)
Currency translation	-	(2)	(2)
Balance at 31 March 2025	**34**	**782**	**816**
Depreciation expense	13	162	175
Disposals	(10)	(215)	(225)
Currency translation	-	(2)	(2)
Balance at 31 March 2026	**37**	**727**	**764**
Carrying amount			
Balance at 31 March 2026	34	267	301
Balance at 31 March 2025	13	307	320

14 Right-of-use assets

The right-of-use assets comprise two office buildings located in the UK and Poland. The lease for the US office was terminated during FY 2026. Lease terms remaining are less than 12 months as of 31 March 2026.

	2026 £'000	2025 £'000
Cost		
Opening balance	**5,116**	**4,979**
Additions	-	154
Disposals	(684)	-
Currency translation	(4)	(17)
Closing balance	**4,428**	**5,116**
Accumulated depreciation		
Opening balance	**2,188**	**623**
Depreciation expense	1,442	1,573
Disposals	(551)	-
Currency translation	-	(8)
Closing balance	**3,079**	**2,188**
Carrying amount	**1,349**	**2,928**

15 Intangible assets

	Domain name	IT build development	Capitalised development costs	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 April 2024	**689**	**1,462**	**836**	**2,987**
Additions	-	12	3,444	3,456
Disposals	-	(11)	-	(11)
Currency translation	-	(11)	-	(11)
Balance at 31 March 2025	**689**	**1,452**	**4,280**	**6,421**
Additions	-	-	4,713	4,713
Disposals	-	(415)	-	(415)
Currency translation	-	-	-	-
Balance at 31 March 2026	**689**	**1,037**	**8,993**	**10,719**
Accumulated amortisation				
Balance at 1 April 2024	-	**989**	**151**	**1,140**
Amortisation expense	-	221	883	1,104
Disposals	-	(11)	-	(11)
Currency translation	-	(11)	-	(11)
Balance at 31 March 2025	-	**1,188**	**1,034**	**2,222**
Amortisation expense	-	181	2,142	2,323
Disposals	-	(415)	-	(415)
Currency translation	-	-	-	-
Balance at 31 March 2026	-	**954**	**3,176**	**4,130**
Carrying amount				
Balance at 31 March 2026	689	83	5,817	6,589
Balance at 31 March 2025	689	264	3,246	4,199

Included within capitalised development costs is work-in-progress of £374k.

16 Investments

	2026	2025
	£'000	£'000
Investments	1,911	-
Total	**1,911**	**-**

In March 2026, Zilch acquired a minority equity interest in AB Fjord Bank, a Lithuania-based bank that is authorised and regulated by the Bank of Lithuania and the European Central Bank. The investment represents a major strategic milestone for Zilch and a step towards acquiring a European banking licence. Subject to regulatory approval and completion of the acquisition, the licence would enable the accelerated rollout of its offering across Europe.

Completion of the acquisition of the entire remaining share capital of AB Fjord Bank is subject to customary conditions, including regulatory approval from the Bank of Lithuania and the European Central Bank, with completion expected in the first half of calendar year 2027.

Zilch has no board representation and no influence over the operating or financial policies of the entity at the reporting date. Accordingly, the investment is accounted for as an equity financial asset under IFRS 9. As this is a strategic investment, and not held for trading, the Group has elected to measure the instrument at Fair Value Through Other Comprehensive Income. The fair value of the investment is considered to be equal to the purchase price paid, as this represents the best estimate of fair value at the reporting date. There have been no fair value movements in the year.

17 Trade and other receivables

	2026	2025[1]
	£'000	£'000
Trade receivables	235	269
Other receivables	15,425	16,298
Prepayments	5,753	2,252
Accrued income	3,591	3,072
Total	**25,004**	**21,891**

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

[1]Comparative information has been reclassified. Refer to note 34.

18 Consumer loan receivables

The following table details the consumer loan receivable net of allowances for credit losses:

	2026	Restated 2025[1]
	£'000	£'000
Gross consumer loan receivables	191,110	145,955
Effective interest rate adjustment	(5,761)	(3,498)
Allowance for credit losses	(55,399)	(33,109)
Net consumer loan receivables	**129,950**	**109,348**

[1]Comparative information has been restated. Refer to note 33 for further information.

GMV related to credit purchases for FY 2026 was £2,088m (FY 2025: £1,617m) of which £191.1m was outstanding at 31 March 2026 (31 March 2025: £146.0m).

The following table details activity in the allowance for credit losses:

	2026	2025
	£'000	£'000
Allowance at beginning of year	**33,109**	**11,631**
Net increase in provision for credit losses	49,912	31,295
Write-offs	(27,622)	(9,817)
Allowance at end of year	**55,399**	**33,109**

Zilch maintains an allowance for credit losses at a level sufficient to absorb expected credit losses based on evaluating known and inherent risks in the Group's loan portfolio. The allowance for credit losses is determined based on the current estimate of expected credit loss over the remaining contractual term using historical loss rates. Balances are written off when the probability of recovery is assessed as being remote.

Zilch uses historical loss rates on credit loans to determine different loss patterns for different customer groups: New Customer (Forced Churn), which are recognised within administrative expenses, and Returning Customer (Expected Credit Loss), which are recognised within cost of sales. The amounts recognised in the consolidated income statement are presented below:

	2026	2025
	£'000	£'000
Expected Credit Loss	45,480	27,378
Forced Churn	4,432	3,917
Total	**49,912**	**31,295**

19 Other receivables

	2026 £'000	2025 £'000
Long-term deposits	-	563
Total	**-**	**563**

20 Cash and cash equivalents

	2026 £'000	2025[1] £'000
Cash at bank	55,580	37,129
Money market funds	50,880	11,077
Total	**106,460**	**48,206**

[1]Comparative information has been reclassified. Refer to note 34 for further information.

Notes to the consolidated statement of cash flows
Adjustments for non-cash items and other adjustments:

	Note	2026 £'000	2025[1] £'000
Profit on disposal of property, plant and equipment and right-of-use assets	13, 14	(20)	-
Depreciation of property, plant and equipment	13	175	195
Depreciation of right-of-use assets	14	1,442	1,573
Amortisation of intangible assets	15	2,323	1,104
Non-cash portion of interest income		2,264	1,756
Impairment of consumer loan receivables	18	49,912	31,295
Movement in other provisions		722	190
Share-based payment expenses – equity-settled	31	9,260	6,555
Share-based payment expenses – cash-settled	31	-	168
Interest expense		11,248	8,313
Finance cost		1,196	-
Cost of sales of inventories		358	–
Fair value movements on financial liabilities		15,838	-
Taxation (credit)/charge	12	(55)	24
Amortisation of debt issue costs	24	1,530	1,023
Interest expense on lease liabilities	22	113	188
Total non-cash items and other adjustments		**96,306**	**52,384**

[1]Comparative information has been restated or reclassified as appropriate. Refer to notes 33 and 34 for further information.

21 Trade and other payables

	2026 £'000	2025 £'000
Trade payables	9,325	7,874
Social security and other taxes	868	30
Other payables	709	600
Total	**10,902**	**8,504**

22 Lease liabilities

	2026 £'000	2025 £'000
Current	1,726	1,908
Non-current	-	1,722
Total	**1,726**	**3,630**

Lease payments due

31 March 2026	Within 1 year	1-3 years	Total
Lease payments	1,748	-	1,748
Finance charges	(22)	-	(22)
Net present value	**1,726**	**-**	**1,726**

31 March 2025	Within 1 year	1-3 years	Total
Lease payments	2,019	1,747	3,766
Finance charges	(111)	(25)	(136)
Net present value	**1,908**	**1,722**	**3,630**

Changes in the Group lease liabilities arising from financing activities can be classified as follows:

	2026 £'000	2025 £'000
Balance at 1 April	3,630	4,510
Repayments	(1,870)	(1,209)
Interest	113	188
Recognition of right-of-use assets	-	154
Disposals	(144)	-
Currency translation	(3)	(13)
Balance at 31 March	**1,726**	**3,630**

23 Other financial liabilities: Current

	2026 £'000	2025 £'000
Equity-linked financial liabilities	63,234	5,879
Credit cards	114	-
Other	1,049	329
Total	**64,397**	**6,208**

Equity-linked financial liabilities

During the year, the Group issued convertible equity notes for cash consideration, which entitle holders to receive shares on a future conversion event. The notes are classified as financial liabilities as they may be settled by issuing a variable number of the Company's own shares and therefore do not meet the fixed-for-fixed condition for equity classification under IAS 32. On initial recognition, the notes were measured at fair value, and were irrevocably designated at fair value through profit or loss under IFRS 9. Subsequent changes in fair value, including any changes in conversion value net of any timing discount, are recognised in the consolidated income statement until conversion, at which point the carrying value of the liability is transferred to equity.

During the year, the Group recognised a fair value loss of £15,838k (2025: £nil) within fair value movements on financial liabilities in the consolidated statement of comprehensive income. This represents the non-cash remeasurement of equity-linked financial liabilities measured at fair value through profit or loss until settlement.

Provisions

'Other' within current other financial liabilities primarily comprises provisions, which are predominantly made up of a liability for rewards utilisation. Customers can earn up to 6% (FY 2025: up to 5%) cashback in rewards on 'Pay now' transactions. Zilch provides for the expected utilisation of total rewards issued, based on historical customer behaviour observations. The charge for the rewards provision is recognised in 'transaction costs' within the consolidated income statement. The following table details activity in the allowance for rewards:

	2026 £'000	2025 £'000
Allowance at beginning of year	**305**	**115**
Allowance for rewards	3,510	2,261
Rewards utilised	(2,791)	(2,071)
Allowance at end of year	**1,024**	**305**

24 Other financial liabilities: Non-current

	2026 £'000	2025 £'000
Securitisation debt facility	160,656	121,076
Corporate debt facility	14,583	-
Total	**175,239**	**121,076**

Securitisation debt facility

The securitisation debt facility relates to a private warehousing securitisation facility for the funding of the Group's consumer loan receivables. The securitisation facility operates from Zilch Finance 3 Limited (company no: 15603166) for which the Group has concluded the entity should be included within these consolidated financial statements – refer to note 2.3 for further details.

The vehicle is financed by a syndicate of reputable external lenders ('Senior Noteholders') and Zilch Technology Limited as Subordinated Noteholder. Zilch Technology Limited is defined as the 'Originator' and 'Servicer' of loan receivables, which sells eligible receivables to the 'Issuer', Zilch Finance 3 Limited. The Senior Noteholders advance an agreed rate for 'core' and 'non-core' purchased collateral as stipulated by the contractual terms of the facility.

The facility contains certain covenants and restrictions, including certain financial maintenance covenants, where infringement could trigger an early amortisation of the facility. There were no covenant breaches during the year.

Senior Noteholders receive payment of both a utilised and unutilised fee, which is paid monthly by Zilch Finance 3 Limited, using revenue proceeds from the purchased receivables as operated by the 'Cash Manager', Zilch Technology Limited. All residual revenue proceeds held within the facility are returned to Zilch Technology Limited as deferred consideration.

In the year ended 31 March 2026, the facility limit was increased from £150m to £200m. The scheduled maturity date of the current facility is in October 2027 with a following wind-down period of 12 months so is classified as a non-current liability.

Corporate debt facility

In the year ended 31 March 2026, the Group entered into a corporate debt facility with Deutsche Bank via its subsidiary, Zilch Technology Limited. It has a maturity date of September 2029 and a facility limit of £30m where the Group has currently drawn £15m at the balance sheet date. The debt is secured by certain assets of Zilch Technology Limited with recourse to the wider Group limited to terms standard for a corporate debt facility of this nature.

The financial covenants under this agreement apply to the Group and Zilch Technology Limited, and are in line with the financial maintenance covenants that apply to the Group under the securitisation facility as detailed above. There were no covenant breaches during the year. Drawings under the facility are subject to a borrowing base amount derived from the value of secured assets.

25 Other liabilities

	2026 £'000	2025 £'000
Share-based payments scheme liability	-	1,862
Total	**-**	**1,862**

26 Financial instruments

Financial assets at 31 March 2026

	Amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit or loss £'000	Total £'000
Cash and cash equivalents	106,460	-	-	106,460
Consumer loan receivables	129,950	-	-	129,950
Trade and other receivables	19,251	-	-	19,251
Investments	-	1,911	-	1,911
Total	**255,661**	**1,911**	**-**	**257,572**

Financial assets at 31 March 2025

	Amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit or loss £'000	Total £'000
Cash and cash equivalents[2]	48,206	-	-	48,206
Consumer loan receivables[1]	109,348	-	-	109,348
Trade and other receivables[2]	19,639	-	-	19,639
Total[1]	**177,193**	**-**	**-**	**177,193**

Financial liabilities at 31 March 2026

	Amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit or loss £'000	Total £'000
Trade and other payables	9,282	-	-	9,282
Other financial liabilities	175,353	-	63,234	238,587
Lease liabilities	1,726	-	-	1,726
Total	**186,361**	**-**	**63,234**	**249,595**

Financial liabilities at 31 March 2025

	Amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit or loss £'000	Total £'000
Trade and other payables	7,511	-	-	7,511
Other financial liabilities	121,076	-	-	121,076
Lease liabilities	3,630	-	-	3,630
Total	**132,217**	**-**	**-**	**132,217**

[1]Comparative information has been restated. Refer to note 33 for further information.
[2]Comparative information has been reclassified. Refer to note 34 for further information.

The Group applies the following fair value hierarchy that prioritises the inputs to valuation techniques used in measuring fair value. The hierarchy establishes three categories for valuing financial instruments, giving the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities and the lowest priority to unobservable inputs.

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. The Group currently does not hold assets or liabilities at fair value that would be classified within this fair value hierarchy.

The Group considers that the carrying value of cash and cash equivalents, which are measured at amortised cost, is a reasonable approximation of their fair value, which would fall under Level 1 of the fair value hierarchy.

Level 2 – Quoted prices in the markets that are not active, quoted prices for similar assets or liabilities, recent market transactions, inputs other than quoted market prices for the assets or liabilities that are observable either directly or indirectly for substantially the full term, and inputs to valuation techniques that are derived principally from or corroborated by observable market data through correlation or other statistical means for substantially the full term of the asset or liability.

The Group currently does not hold assets or liabilities that would be classified as Level 2.

Level 3 – Inputs to the pricing or valuation techniques that are significant to the overall fair value measurement of the asset or liability are unobservable.

In this category, the Group includes:

- financial assets measured at fair value through other comprehensive income, comprising equity investments;
- financial assets measured at amortised cost, comprising trade and other receivables (excluding prepayments), and consumer loan receivables;
- financial liabilities measured at amortised cost, comprising trade and other payables, lease liabilities, and loans held at amortised cost; and
- financial liabilities measured at fair value through profit or loss, comprising equity-linked financial liabilities and cash-settled share-based payment liabilities.

The Directors consider that the carrying values of these assets and liabilities are a reasonable approximation of fair values of these instruments. Where assets and liabilities are not measured at fair value, the Group has assessed their fair value at the reporting date as follows:

- Consumer loan receivables – due to the majority of consumer loan receivables being short term in nature their carrying value is materially equal to their fair value.
- Trade and other receivables, and trade and other payables – these represent short-term receivables and payables and as such their carrying value is considered to equal their fair value.
- Other financial liabilities – the carrying value is considered to approximate fair value where the borrowings are short-term in nature or bear interest at market rates; and
- Lease liabilities – as the liabilities are measured using the applicable incremental borrowing rate at the lease commencement date their carrying value is considered to approximate fair value.

27 Share capital

Allotted, called up and fully paid	2026 £	2025 £
Balance at 31 March		
521,159 Founder shares of £0.001 each	521	521
629,611 Ordinary shares of £0.001 each	630	630
Total	**1,151**	**1,151**

Issued and fully paid	2026 £	2025 £
At 1 April	**1,151**	**1,150**
Issued during the year	-	1
At 31 March	**1,151**	**1,151**

The Company has two classes of shares, Founder shares and Ordinary shares. All shares carry one vote per share and have rights to receive dividends and to participate in a distribution of capital (including on winding up) subject to the provisions of the articles of association.

28 Share premium

	2026 £'000	2025 £'000
Balance at 1 April	851	-
Premium arising on issue of equity shares	-	858
Capital raising costs	-	(7)
At 31 March	**851**	**851**

Share premium represents the credited difference in price between the nominal value of shares and the total subscription price of issued £0.001 ordinary shares during the period.

Capital raising costs are those costs directly attributable to the raising of further capital in the Company. No such capital raising costs were incurred in FY 2026. All of the capital raising costs in FY 2025 were in the form of cash payments.

29 Merger reserve

On 3 April 2024, the Group executed a reorganisation of its corporate structure through a share-for-share exchange where Zilch Technology Limited's shareholders exchanged their shareholding for shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. All shareholders received one share in Zilch Holdings Limited for each share previously held in Zilch Technology Limited.

The Group has accounted for the reorganisation using merger accounting principles. Under this approach, the Group is presenting the consolidated financial statements using the retrospective approach as if the Group had been formed in prior periods and always existed. The Directors decided on this approach given the underlying business activities and operations of the Group remain largely unchanged following the change in ownership.

30 Warrants

During the year ended 31 March 2026, no warrants (FY 2025: nil) were awarded and no warrants (FY 2025: nil) were exercised. Under the terms of the existing warrant instrument agreements, the holders have a right, but not an obligation, to subscribe to a fixed number of shares for a fixed price at a future date.

The subscription price is a nominal value of £0.001, and is conditional upon a trigger event taking place, being an internal reorganisation, sale or listing. Based on management objectives and current forecasts a trigger event is deemed to be probable for the remaining 476 issued warrants not yet exercised (FY 2025: 476).

The warrants are presented within equity on the basis that they are considered to meet the 'fixed for fixed' equity classification criteria under IAS 32. The total fair value is £200,139 (FY 2025: £200,139) for all warrants.

31 Share-based payments

The Company operates an employee share option plan, an executive director share option plan and a restricted stock unit plan, pursuant to which it provides equity-settled share-based payments to employees of the Group. The Company also operates a non-executive director share option plan and a service provider share option plan.

Employee and executive director share options

In accordance with the terms of the employee share option plan and executive directors share option plan, non-US based employees (including executive directors) are granted options to purchase ordinary shares in the Company for a fixed exercise price. Vesting either occurs immediately on the grant date or over a vesting period up to three years from the vesting commencement date.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the employee on grant date of the option. The options carry neither rights to dividends nor voting rights.

Save where vesting occurs immediately on the grant date, the options are subject to service-based vesting conditions and the options are only exercisable upon the occurrence of a defined liquidity event, which represents non-vesting conditions under IFRS 2. If the options remain unexercised after the tenth anniversary (or, in certain cases, after the fifteenth anniversary) from the grant date the options expire. Under the employee share option plan, unvested options are forfeited if the employee leaves the Group before the options vest and the plan rules also include customary bad leaver provisions pursuant to which vested options may also be forfeited in some circumstances. Some options have non-market performance conditions attached to them whilst others have only a continued service condition attached.

Equity-settled share-based payments are accounted for based on the fair value at award grant date with the requisite expense recognised over the vesting period of the award. The Black-Scholes-Merton option pricing model is used to determine the fair value of equity options granted under the plan.

Restricted stock units

In accordance with the terms of the restricted stock unit plan, US-based employees are granted restricted stock units. Restricted stock units enable the Group to reward US-based employees by granting rights to receive Company shares in the future, subject to satisfaction of the associated service-based condition and liquidity event condition. For the restricted stock unit plan, fair value is measured and expensed in full at the grant date, being the date on which the holders become entitled to these rights. The liquidity event condition is a non-vesting condition.

Details of the share options outstanding during the year are as follows:

	Employee share options No.	Restricted stock units No.	Total No.	Weighted average exercise price £/share
Outstanding at 1 April 2024[1]	**122,798**	**1,345**	**124,143**	**99.86**
Granted during the year	10,595	226	10,821	446.10
Cancelled/forfeited during the year	(1,005)	-	(1,005)	523.86
Outstanding at 31 March 2025	**132,388**	**1,571**	**133,959**	**124.65**
Granted during the year	17,329	340	17,669	343.63
Cancelled/forfeited during the year	(2,430)	-	(2,430)	677.00
Outstanding at 31 March 2026	**147,287**	**1,911**	**149,198**	**141.66**
Vested at 31 March 2026	**137,547**	**-**	**137,547**	**107.13**
Vested at 31 March 2025	125,653	-	125,653	94.34

[1]Balances reflect consequential flow-on impacts arising from the restatements detailed in Note 33.

The options outstanding at 31 March 2026 had a weighted average remaining contractual life of 6 years (FY 2025: 4 years). The weighted average fair value of options granted in the year was £606 (FY 2025: £450). The inputs into the Black-Scholes-Merton model are as follows:

	2026	2025
Expected volatility	40%	40%
Expected life	36 months	36 months
Risk-free rate	3.7 - 3.8%	3.8 - 4.3%

Expected volatility was determined by management taking into consideration the historical volatility of the Group's share price, fintech industry market trends as well as the scale-up nature of the business. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

In FY 2026 the Group recognised a total charge of £9,260k in the consolidated income statement in respect of the schemes described above (FY 2025: £6,723k). For equity-settled awards, the corresponding credit is recognised within equity.

32 Retained losses

The retained losses account represents cumulative profits and losses net of all adjustments and transactions with owners.

33 Prior year restatement

The Group has restated the comparative balances as explained below:

Revenue recognition

The Group reassessed its accounting for credit revenue, specifically customer-paid fees, and concluded that these fees are integral to the loan. Accordingly, these fees should have been recognised using the effective interest rate method in accordance with IFRS 9.

The effect of this restatement was to decrease consumer loan receivables and increase accumulated losses by £1,742k as at 1 April 2024. For the year ended 31 March 2025, the restatement reduced credit revenue by £1,756k, resulting in a corresponding decrease in gross profit and an increase in the loss after tax of £1,756k. A corresponding reduction in consumer loan receivables was recognised as at 31 March 2025. The restatement had no impact on the Group's cash used in operating activities.

Share-based payment expense

The Group reassessed the accounting treatment applied to certain equity-settled share-based payment arrangements and concluded that the related expense should be recognised in the period in which the relevant employee services are received. In addition, management revised the share price for prior years, resulting in a change in the recognised share-based payment expense.

As at 1 April 2024 the effect of this restatement was to increase accumulated losses by £1,123k and increase the cumulative share-based payment credit to retained losses by the same amount.

For the year ended 31 March 2025, the restatement increased share-based payment expense by £268k, with a corresponding increase in loss after tax of £268k. Other liabilities decreased by £116k, increasing the Group's net assets by the same amount.

Neither restatement had any impact on the Group's cash used in operating activities.

Consolidated statement of comprehensive income

	As reported 2025 £'000	Revenue recognition adjustment 2025 £'000	Share-based payment expense adjustment 2025 £'000	Restated 2025 £'000
Revenue	**110,333**	**(1,756)**	**-**	**108,577**
Credit revenue	75,661	(1,756)	-	73,905
Gross profit	**54,529**	**(1,756)**	**-**	**52,773**
Operating loss before share-based payment expense	**(5,147)**	**(1,756)**	**-**	**(6,903)**
Share-based payment expense	(6,455)	-	(268)	(6,723)
Operating loss	**(11,602)**	**(1,756)**	**(268)**	**(13,626)**
Loss before taxation	**(10,476)**	**(1,756)**	**(268)**	**(12,500)**
Loss after taxation	**(10,500)**	**(1,756)**	**(268)**	**(12,524)**

Consolidated statement of financial position

	As reported 2025 £'000	Revenue recognition adjustment 2025 £'000	Share-based payment expense adjustment 2025 £'000	Restated 2025 £'000
Consumer loan receivables	112,846	(3,498)	–	109,348
Total current assets	**183,163**	**(3,498)**	**-**	**179,665**
Total assets	**191,173**	**(3,498)**	**-**	**187,675**
Retained losses	**(162,145)**	**(3,498)**	**116**	**(165,527)**
Equity attributable to owners of the parent	**49,777**	**(3,498)**	**116**	**46,395**
Total equity	**49,777**	**(3,498)**	**116**	**46,395**
Other liabilities	**1,978**	**-**	**(116)**	**1,862**
Total equity and liabilities	**191,173**	**(3,498)**	**-**	**187,675**

34 Prior year reclassifications

The Group has reclassified the following comparative balances:

Settlement balances reclassification

Settlement balances represent amounts due from or to card schemes, payment processors and merchant acquirers arising in the normal settlement cycle. These were previously presented within cash and cash equivalents. To reflect their nature, they are now presented within trade and other receivables, and comparative information has been reclassified accordingly. The amount outstanding at a reporting date depends on where that date falls within the settlement cycle, and the reported cash position may experience short-term fluctuations as a result.

The reclassification moves balances between line items only and has no impact on net assets or the loss for the year. It increased trade and other receivables and decreased cash and cash equivalents by £14,143k at 31 March 2025 (31 March 2024: £18,389k).The following tables summarise the impact of the prior year reclassifications on the financial statements of the Group:

Consolidated statement of financial position

		Restated		Reclassified		
	As reported	Revenue recognition adjustment[1]	Share-based payment expense adjustment[1]	Settlement timing difference	Cash flow reclassifications	Restated and Reclassified
	2025	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	7,748	-	-	14,143	-	21,891
Cash and cash equivalents	62,349	-	-	(14,143)	-	48,206
Total current assets	**183,163**	**(3,498)**	**-**	**-**	**-**	**179,665**
Total assets	**191,173**	**(3,498)**	**-**	**-**	**-**	**187,675**
Retained losses	(162,145)	(3,498)	116	-	-	(165,527)
Equity attributable to owners of the parent	**49,777**	**(3,498)**	**116**	**-**	**-**	**46,395**
Total equity	**49,777**	**(3,498)**	**116**	**-**	**-**	**46,395**
Total equity and liabilities	**191,173**	**(3,498)**	**-**	**-**	**-**	**187,675**

[1]Refer to Note 33

Consolidated statement of cash flows

		Restated		Reclassified		
	As reported	Revenue recognition adjustment[1]	Share-based payment expense adjustment[1]	Settlement balances adjustment	Cash flow reclassifications	Restated and Reclassified
	2025	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Cash flows from operating activities						
Loss after taxation	(10,500)	(1,756)	(268)	-	-	(12,524)
Adjustments for non-cash items and other adjustments	42,047	1,756	268	-	8,313	52,384
(Increase)/decrease in trade and other receivables	(1,782)	-	-	4,246	-	2,464
Cash (used in)/from operating activities	**(64,430)**	**-**	**-**	**4,246**	**8,313**	**(51,871)**
Interest paid on debt facilities	-	-	-	-	(8,313)	(8,313)
Net cash from financing activities	**84,967**	**-**	**-**	**1**	**(8,313)**	**76,655**
Net increase in cash and cash equivalents	**16,864**	**-**	**-**	**4,247**	**-**	**21,111**
Cash and cash equivalents at start of the period	45,448	-	-	(18,389)	-	27,059
Cash and cash equivalents at end of the period	**62,349**	**-**	**-**	**(14,143)**	**-**	**48,206**

[1]Refer to Note 33

Non-cash items and other adjustments

		Restated		Reclassified		
	As reported	Revenue recognition adjustment[1]	Share-based payment expense adjustment[1]	Settlement balances adjustment	Cash flow reclassifications	Restated and Reclassified
	2025	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Non-cash portion of interest income	-	1,756	-	-	-	1,756
Share-based payment expenses – equity-settled	6,171	-	384	-	-	6,555
Share-based payment expenses – cash-settled	284	-	(116)	-	-	168
Interest expense	-	-	-	-	8,313	8,313
Total non-cash items and other adjustments	**42,047**	**1,756**	**268**	**-**	**8,313**	**52,384**

[1]Refer to Note 33

35 Related party transactions

Refer to note 9 for details of Director and key management personnel remuneration.

Value Ventures Management Limited is a related party of the Group through a connected person. Value Ventures Management Limited has an agreement to provide services to the Group on an arm's length basis. For FY 2026, costs of £188k net of VAT were incurred by the Group (FY 2025: £99k net of VAT). As at 31 March 2026, no amounts were owed to Value Ventures Management Limited (31 March 2025: nil).

Unless otherwise stated, none of the transactions incorporate special terms and conditions.

In the opinion of the Directors, there is no overall controlling party at year end.

Company-only financial statements

Company only statement of financial position

Company number: 11887457

	Note	2026 £'000	Restated 2025[1] £'000
Fixed assets			
Investments	5	72,432	59,978
Current assets			
Trade and other receivables	6	10,171	6,691
Cash and cash equivalents		34,008	-
Total current assets		**44,179**	**6,691**
Creditors: amounts falling due within one year[2]	7	(63,381)	(5,879)
Net current (liabilities)/assets		**(19,202)**	**812**
Total assets less current liabilities		**53,230**	**60,790**
Creditors: amounts falling due after more than one year[2]	8	-	(168)
Net assets		**53,230**	**60,622**
Equity			
Share capital	9	1	1
Share premium	10	851	851
Merger reserve		53,367	53,367
Retained profits (losses)		(989)	6,403
Total shareholders' funds		**53,230**	**60,622**

[1]Comparative information has been restated. Refer to note 13 for further information.
[2]Creditors: amounts falling due within one year include £63,234k of convertible equity notes as at 31 March 2026, which will be settled through the issue of the Company's own shares. On conversion, the carrying value is transferred to equity with no cash outflow. Refer to note 7 for further information.

As permitted by section 408 of the Companies Act 2006, the Company's statement of comprehensive income has not been included in these financial statements.

The Company recorded a loss for the year ended 31 March 2026 of £16,459k (FY 2025: loss of £152k).

The financial statements were approved and authorised by the Board and were signed on its behalf by:

Philip Belamant

Philip Belamant
Date: 16 October 2026

Company only statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained profits (losses) £'000	Total equity £'000
At 1 April 2025	**1**	**851**	**53,367**	**6,403**	**60,622**
Share-based payment awards	-	-	-	9,260	9,260
Other equity transactions	-	-	-	(193)	(193)
Transactions with owners	**-**	**-**	**-**	**9,067**	**9,067**
Loss for the year	-	-	-	(16,459)	(16,459)
Total comprehensive loss	**-**	**-**	**-**	**(16,459)**	**(16,459)**
At 31 March 2026	**1**	**851**	**53,367**	**(989)**	**53,230**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained profits (losses) £'000	Total equity £'000
At 1 April 2024	**0**	**-**	**-**	**-**	**0**
Shares issued during the year, including impact of reorganisation	1	858	53,367	-	54,226
Transaction costs deducted from equity	-	(7)	-	-	(7)
Share-based payment awards	**-**	**-**	**-**	**6,555**	**6,555**
Transactions with owners	1	851	53,367	6,555	60,774
Loss for the year	**-**	**-**	**-**	**(152)**	**(152)**
Total comprehensive loss	**-**	**-**	**-**	**(152)**	**(152)**
At 31 March 20251	**1**	**851**	**53,367**	**6,403**	**60,622**

[1]Comparative information has been restated. Refer to note 13 for further information.

1 General information

Zilch Holdings Limited (the 'Company') is a private company, limited by shares, registered in England and Wales with company number 11887457. The address of the registered office is 111 Buckingham Palace Road, London, England, SW1W 0SR. The Company's principal activity is that of a holding company.

2 Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. Amounts are presented in pounds sterling ('£'), rounded to the nearest thousand (£'000) unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention. FRS 101 enables the financial statements of the Company to be prepared in accordance with IFRS but with certain disclosure exemptions. The main areas of reduced disclosure are in respect of equity-settled share-based payments, financial instruments, the statement of cash flows, and related party transactions with Group companies. The accounting policies adopted for the Company are otherwise consistent with those used for the Group which are set out in note 2 of the Group's consolidated financial statements. As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the Company is not presented as part of the financial statements. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Company is the ultimate parent of the Group. These financial statements are presented together with the consolidated financial statements of the Group in the same financial report.

Financial Reporting Standard 101 – reduced disclosure exemptions

This basis of preparation has enabled the Company to take advantage of the applicable disclosure exemptions permitted by FRS 101 in the financial statements. The following disclosures have not been provided as permitted by FRS 101:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- disclosures in respect of financial instruments;
- the effects of new but not yet effective IFRS; and
- statement of compliance with all IFRS.

The Company has also taken the exemption under FRS 101 available in respect of the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment' in respect of Group settled share-based payments as the consolidated financial statements of the Group include the equivalent disclosures.

2.2 Going concern

The Company financial statements have been prepared on a going concern basis which assumes that the Company will continue to meet its liabilities as they fall due.

The Company's loss for the financial year amounted to £16,459k (FY 2025: £152k loss). The Company had net assets of £53.2m at 31 March 2026 (FY 2025: £60.6m). The loss for the year comprises £71k of share-based payments and £15.8m of fair value movements on financial liabilities expenses. These represent non-cash, equity-settled transactions, and do not affect the underlying commercial performance of the business.

The Directors have reviewed the Company's business plan, including consolidated statement of comprehensive income and cash flow forecasts, funding and key risks, and the Company's current loss-making position. The business plan reflects the current economic conditions, including the capital markets environment and other macroeconomic factors. The Directors also considered the impact of key existing risks on the Company business plan as disclosed in the Governance & Risk section of this report.

Having undertaken this assessment, including considerations of relevant severe but plausible scenarios, the Directors have a reasonable expectation that the Company has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Board considers it appropriate to prepare the financial statements on a going concern basis.

2.3 Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying values of investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable value.

2.4 Trade and other receivables

Debtors include amounts from Group companies.

2.5 Share-based payments

The Group engages in equity-settled and cash-settled share-based payments transactions in respect of services received from employees and others providing similar services. Refer to note 31 of the consolidated financial statements for further information.

2.6 Equity and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other components of equity include the following:

- Share Premium – comprises the difference between the value of the shares on issue and their nominal value;
- Merger Reserve – comprises the difference between the net assets of Zilch Technology Limited and the nominal value of shares issued by Zilch Holdings Limited as part of the share-for-share exchange which took place on 3 April 2024. The Company took advantage of merger relief under section 612 of the Companies Act 2006, so no share premium was recognised on the shares issued in the exchange. The cost of the investment in Zilch Technology Limited was measured at the carrying amount of its net assets in its own financial statements at 3 April 2024;
- Retained profits (losses) – comprises all current and prior period retained losses net of all adjustments and transactions with owners.

3 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements in accordance with FRS 101 requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at 31 March 2026, the Company had the following key areas of estimation uncertainty.

Key areas of estimation

Share-based payments

The fair value of share-based payment awards is determined using the Black-Scholes-Merton option-pricing model. Selecting the valuation methodology and assumptions requires judgement. Key inputs include the underlying share price, expected life, volatility, and risk-free interest rate. Observable market information is used where available; otherwise, management uses its best estimate of assumptions that market participants would apply.

As the Company's shares are not publicly traded, the underlying share price is a significant estimate. It is determined at the relevant measurement date by reference to recent orderly, arm's-length transactions, where sufficiently current and representative, and may be corroborated using comparable-company, transaction-multiple or discounted-cash-flow methods. Recent transaction prices are not applied mechanically; management considers their timing and size, investor independence, share-class rights and preferences, and subsequent changes in performance, forecasts, financing and market conditions.

Significant management judgements in applying the Company's accounting policies

Fair value of equity-linked financial liabilities

The Company's convertible equity notes are measured at fair value through profit or loss, with fair value determined by reference to the shares expected to be issued on conversion. The timing of that conversion is a key judgement, and management expects a qualifying conversion event to occur in the near term. As the inputs significant to the measurement are unobservable, management has performed a sensitivity analysis over reasonably possible alternative assumptions in assessing the fair value recognised at the reporting date and the impact is not material.

4 Employees and directors

Employees

The Company only had company directors during the year. All administrative and management functions are carried out by the Group's subsidiaries.

Directors

The emoluments of one director were borne directly by the Company during the financial year. The emoluments of the remaining directors were paid by a fellow group undertaking. The Company recognises an intercompany payable to the group undertaking in respect of these costs. Full disclosure of directors' remuneration is included in the consolidated financial statements of the Group.

5 Investments

On 3 April 2024, the Group completed a reorganisation of its corporate structure through a share-for-share exchange where Zilch Technology Limited's shareholders exchanged their shareholding for shares in the new holding company, Zilch Holdings Limited, being the new ultimate parent of the Group. All shareholders received one share in Zilch Holdings Limited for each share previously held in Zilch Technology Limited.

As Zilch Holdings Limited now holds 100% of the shares of Zilch Technology Limited, the investment in the subsidiary arising from the share-for-share exchange has been recognised in accordance with IAS 27 Separate Financial Statements.

	2026 £'000	Restated 2025[1] £'000
Balance at 1 April	**59,978**	**-**
Additions	2,002	53,368
Share-based payment capital contribution	10,883	6,610
Impairment	(431)	-
Balance at 31 March	**72,432**	**59,978**

[1]Comparative information has been restated. Refer to note 13 for further information.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

	Nature of investment (% Ownership)		
Name	**Direct**	**Indirect**	**Nature of business**
Arkenstone Holding, UAB	100	-	Holding company
Zilch Technology Limited	100	-	Payments network
Zilch Compare Limited	100	-	Insurance comparison
ZFS1 Limited	100	-	Dormant
Zilch USA Inc.	-	100	Provider of credit
Z Loan Services LLC	-	100	Lending entity
Zilch Poland Sp. Z o.o.	-	100	Software engineering and development

Arkenstone Holding, UAB was incorporated on 19 December 2025 in Lithuania and issued new shares to Zilch Holdings Limited for the total amount of £2,002k. These proceeds were used for the equity investment into AB Fjord Bank as detailed in note 16 of the consolidated financial statements. The registered office address is Konstitucijos Ave. 21a, LT-08105 Vilnius, Lithuania.

Zilch Technology Limited was incorporated on 27 July 2018 in England and Wales. The registered office address is 111 Buckingham Palace Road, London, England, SW1W 0SR.

Zilch Compare Limited was incorporated on 15 April 2024 in England and Wales. The registered office address is 111 Buckingham Palace Road, London, England, SW1W 0SR.

ZFS1 Limited was incorporated on 9 June 2023 in England and Wales. The registered office address is 111 Buckingham Palace Road, London, England, SW1W 0SR.

Zilch USA Inc. (previously Neptune Financial Inc.) was incorporated on 7 November 2016 in Delaware, USA. The registered office address is 1111 Brickell Avenue, STE 1870, Miami FL 33131.

Z Loan Services LLC (previously known as Juno Capital LLC) was incorporated on 24 February 2017 in Delaware, USA. The registered office address is 1111 Brickell Avenue, STE 1870, Miami FL 33131.

Zilch Poland Sp. Z o.o. was incorporated on 8 September 2022 in Kraków, Poland. The registered office address is Aleja 29 Listopada 20, 31-401 Kraków.

Zilch Finance 1 Ltd was dissolved via voluntary strike-off on 27 January 2026.

In accordance with IFRS 10 'Consolidated Financial Statements', the subsidiaries have been consolidated in the Group financial statements by combining the assets, liabilities, equity, income, expenses, and cash flows of the subsidiaries with those of the parent and eliminating the cost of the investment. Transactions and balances with subsidiaries have been eliminated on consolidation.

Interest in other entities

Zilch Technology Limited, a wholly owned subsidiary of the Company, has an interest in a special purpose entity Zilch Finance 3 Limited, wholly owned and managed by Wilmington Trust (London) Limited. Zilch Finance 3 Limited was incorporated on 29 March 2024 in England and Wales. The registered office address is 1 Kings Arms Yard, 3rd Floor, C/O Wilmington Trust Sp Services (London) Limited, London, England, EC2R 7AF.

Zilch Finance 3 Limited is the legal borrower of the securitisation facility used by the Group (refer to note 24 of the Consolidated Financial Statements for further details). Zilch Finance 3 Limited issues Senior Notes to the lending syndicate and Subordinated Notes to Zilch Technology Limited. On 6 June 2024, Zilch Technology Limited entered into a Receivables Sales and Purchase Agreement with Zilch Finance 3 Limited (as amended from time to time). Under the terms of this agreement, the proceeds received by Zilch Finance 3 Limited from the issuance of Notes are used to effect the assignment of the right, title and interest in a portfolio of unsecured consumer loans from Zilch Technology Limited to Zilch Finance 3 Limited on an ongoing basis. The Receivables Sales and Purchase Agreement grants Zilch Finance 3 Limited the right to require Zilch Technology Limited to repurchase any diluted or fraudulent receivables. The terms of the transaction documents effectively require Zilch Technology Limited to fund any defaulted receivables, with any collections received by Zilch Finance 3 Limited in relation to defaulted receivables paid directly to Zilch Technology Limited. Accordingly, substantially all the risks and rewards of the portfolio of consumer loans sold to Zilch Finance 3 Limited have been retained by Zilch Technology Limited.

Zilch Finance 3 Limited does not meet the definition of the legal subsidiary of the Company. However, due to the nature of the transaction described above, it gives rise to the risks and rewards that are, in substance, no different than if it was a legal subsidiary of the Company. Its assets, liabilities, equity, income, expenses and cash flows were consolidated with those of the Company and transactions and balances with this entity have been eliminated on consolidation.

6 Trade and other receivables

	2026 £'000	2025 £'000
Amounts owed by group undertakings	8,223	6,691
Other receivables	472	-
Prepayments	1,476	-
Total	**10,171**	**6,691**

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Amounts falling due within one year:		
Equity-linked financial liabilities	63,234	5,879
Other	147	-
Total	**63,381**	**5,879**

Equity-linked financial liabilities

During the year, the Company issued convertible equity notes for cash consideration, which entitle holders to receive shares on a future conversion event. The notes are classified as financial liabilities as they may be settled by issuing a variable number of the Company's own shares and therefore do not meet the fixed-for-fixed condition for equity classification under IAS 32. On initial recognition, the notes were measured at fair value, which was considered to approximate the cash proceeds received, and were irrevocably designated at fair value through profit or loss under IFRS 9. Subsequent changes in fair value, including the expected uplift to the conversion value net of any timing discount, are recognised in the Company's statement of comprehensive income until conversion, at which point the carrying value of the liability is transferred to equity.

During the year, the Company recognised a fair value loss of £15,838k (2025: £nil) within fair value movements on financial liabilities in the statement of comprehensive income. This represents the non-cash remeasurement of equity-linked financial liabilities measured at fair value through profit or loss until settlement.

8 Creditors: amounts falling due after more than one year

	2026 £'000	2025 £'000
Share-based payments scheme liability	-	168
Total	**-**	**168**

9 Share capital

Allotted, called up and fully paid	2026 £	2025 £
Balance at 31 March		
521,159 Founder shares of £0.001 each	521	521
629,611 Ordinary shares of £0.001 each	630	630
Total	**1,151**	**1,151**

Issued and fully paid	2026 £	2025 £
At 1 April	**1,151**	**1,150**
Issued during the year	-	1
At 31 March	**1,151**	**1,151**

The Company has two classes of shares, Founder shares and Ordinary shares. All shares carry one vote per share and have rights to receive dividends and to participate in a distribution of capital (including on winding up) subject to the provisions of the articles of association.

10 Share premium

	2026 £'000	2025 £'000
Balance at 1 April	851	-
Premium arising on issue of equity shares	-	858
Capital raising costs	-	(7)
At 31 March	**851**	**851**

Share premium represents the credited difference in price between the nominal value of shares and the total subscription price of issued £0.001 ordinary shares during the period.

Capital raising costs are those costs directly attributable to the raising of further capital in the Company. No such capital raising costs were incurred in FY 2026. All of the capital raising costs in FY 2025 were in the form of cash payments.

11 Share-based payments

The Company has established both equity-settled and cash-settled share-based payment arrangements under which awards are granted to employees of its subsidiaries and others providing similar services. These arrangements fall within the scope of IFRS 2 'Share-based payment', as adopted in the UK.

For equity-settled share-based payments, the Company issues equity instruments to employees of group companies and others providing similar services. Although the awards are granted by the Company, the associated costs are borne by the employing subsidiaries. As a result, for awards to subsidiary employees, no expense is recognised in the Company's income statement. Instead, the Company recognises an increase in the cost of investment in the relevant subsidiaries to reflect the capital contribution.

Further information on the Group's share-based payment arrangements, including the nature, terms, and valuation of the awards, is disclosed in the consolidated financial statements.

12 Auditor's remuneration

The Company has incurred audit fees net of VAT of £70k (FY 2025: £5k) for the year.

13 Prior year restatement

The Company has restated the comparative balances as explained below:

Share-based payment expense

The Company reassessed the accounting treatment applied to certain equity-settled share-based payment arrangements and concluded that the related expense should be recognised over the period in which the relevant employee services are received. In addition, management revised the share prices for prior years, resulting in an adjustment to the recognised share-based payment expense.

There is no impact to net assets or equity as at 1 April 2024. For the year ended 31 March 2025, the restatements resulted in a share-based payment expense of £113k. It increased the capital contribution to investments in subsidiaries by £155k and reduced creditors: amounts falling due after more than one year by £116k. A corresponding increase of £271k was recognised within equity as at 31 March 2025.

The following tables summarise the impact of the prior year restatement on the financial statements of the Company:

Company statement of financial position

	As reported 2025 £'000	Share-based payment adjustment 2025 £'000	Restated 2025 £'000
Fixed assets			
Investments	59,823	155	59,978
Creditors: amounts falling due after more than one year	(284)	116	(168)
Total assets less current liabilities	**60,635**	**155**	**60,790**
Net assets	**60,351**	**271**	**60,622**
Retained profits	**6,132**	**271**	**6,403**
Total shareholders' funds	**60,351**	**271**	**60,622**

14 Related party transactions

Refer to note 4 for details of Directors' remuneration.

Unless otherwise stated, none of the transactions incorporate special terms and conditions.

In the opinion of the Directors, there is no overall controlling party at 31 March 2026.

Glossary

Active customers
Customers who have transacted at least once within the given reporting period.

Adjusted loss (profit) before tax
Representing the underlying operational trading performance of the Group. Calculated as loss (profit) before tax, adjusted to exclude depreciation and amortisation, share-based payment expense, fair value movements, exceptional items.

Advertising revenue
Revenue we generate from tenancy and affiliates.

Average Order Frequency (“AOF”)
Total transactions for the period per active customer.

Average Order Value (“AOV”)
The average value of a transaction, calculated as GMV divided by the total number of transactions

Average revenue per user (“ARPU”)
Total revenue divided by active customers for the period.

Board
The board of directors of Zilch Holdings Limited.

The Company
Zilch Holdings Limited.

Credit revenue
Revenue we generate from fees charged to customers.

Customer Acquisition Cost (“CAC”)
The expenses associated with acquiring a customer in each period (including lead generation, onboarding expenses, referrals and forced churn).

Directors
The Directors of Zilch Holdings Limited.

Effective advance rate
The amount of debt used to fund gross lending, calculated as total funding liability divided by gross consumer loans.

Exceptional items
Material, non-recurring costs or credits arising from specific events or transactions outside the Group’s ordinary activities, including restructuring programmes and acquisition-related activities, which are disclosed separately to aid understanding of underlying performance.

Exit rates
Exit rate refers to March or Q4 year-on-year growth momentum heading into the new financial year.

Feature revenue
Revenues from features of the platform.

Forced churn
The credit losses applied to new customer cohorts based on the losses incurred on the transactions performed as a new customer.

Gross Merchandise Value (“GMV”)
Total value of merchandise sold via our platform in each period.

The Group
Zilch Holdings Limited and its subsidiaries.

Net losses
Loss after taxation per the consolidated statement of comprehensive income.

Net Merchandise Value (“NMV”)
GMV adjusted for customer returns, and any other transaction reversals.

Net transaction margin
Gross profit relative to NMV; a measure intended to reflect our ability to earn a margin relative to volume on our platform.

New customer
A customer who has performed up to three transactions which have not yet been fully paid off.

Returning customer
A customer who has paid off their first three transactions and has continued to transact.

Return on Advertising Spend (ROAS)
A measure of how much revenue is generated from advertising spend, used to assess the effectiveness of marketing campaigns.

Snooze
Fee paid by consumers allowing them the ability to defer an instalment before it falls due.

Take rate
Revenue expressed relative to NMV.

Transactions
Executing using Zilch to pay for the purchase of goods and/or services from a store or online as well as any refunds or adjustments that may apply.

Transaction revenue
Revenue we generate from interchange.

Company information

Registered Company Number
Registered in England and Wales

Company number 11887457

Incorporated on
18 March 2019

Registered Office
111 Buckingham Palace Road

London SW1W 0SR

United Kingdom

Directors
Serge Belamant, Co-founder, Chairperson, and Non-Executive Board member.

Philip Belamant, Co-founder, Chief Executive Officer and Director.

Sean O’Connor, Co-founder and Director.

Pavel Chernyshov, Independent Non-Executive Director and Board Audit Committee Chairperson.

Mark Wilson, Independent Non-Executive Director

Dame Clare Barclay, Independent Non-Executive Director

Independent Auditor
KPMG LLP

15 Canada Square,

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