



ZOO Digital Group plc AGM Presentation 2016

Stuart Green, CEO

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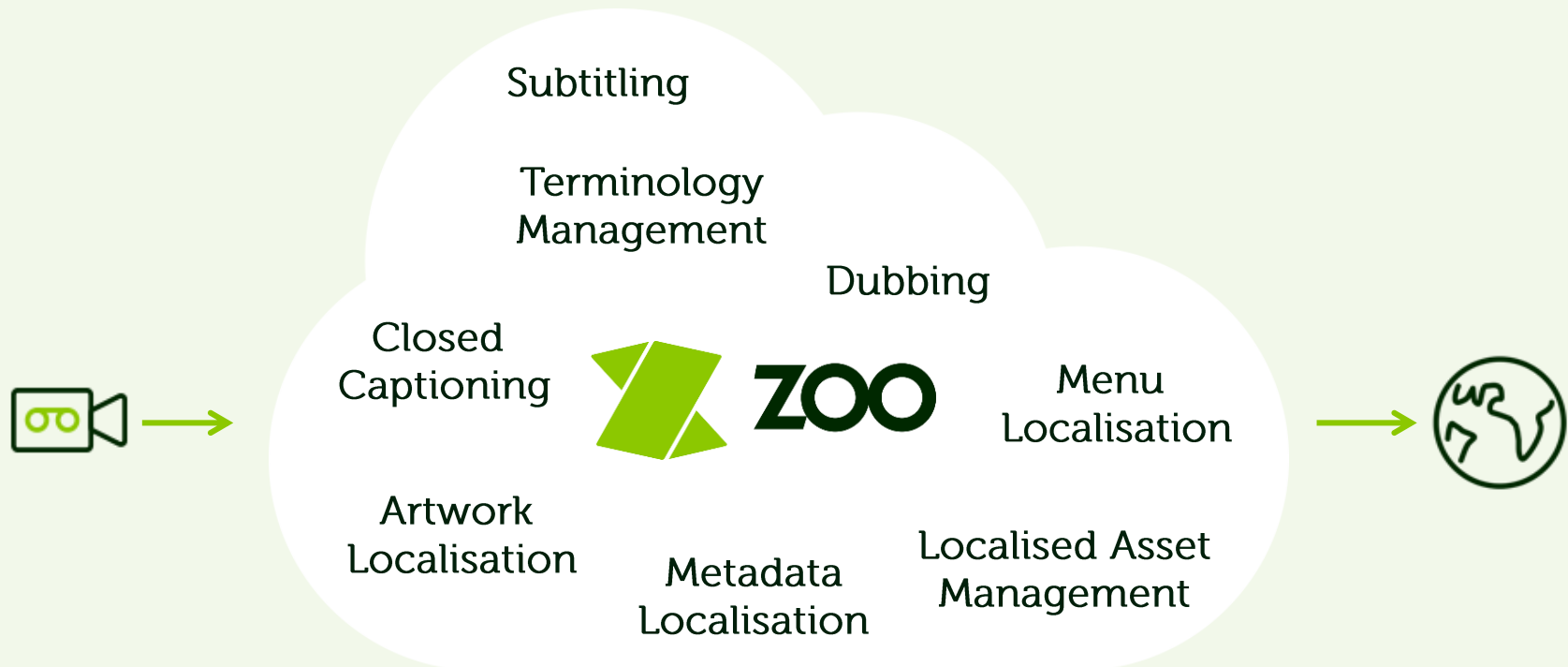
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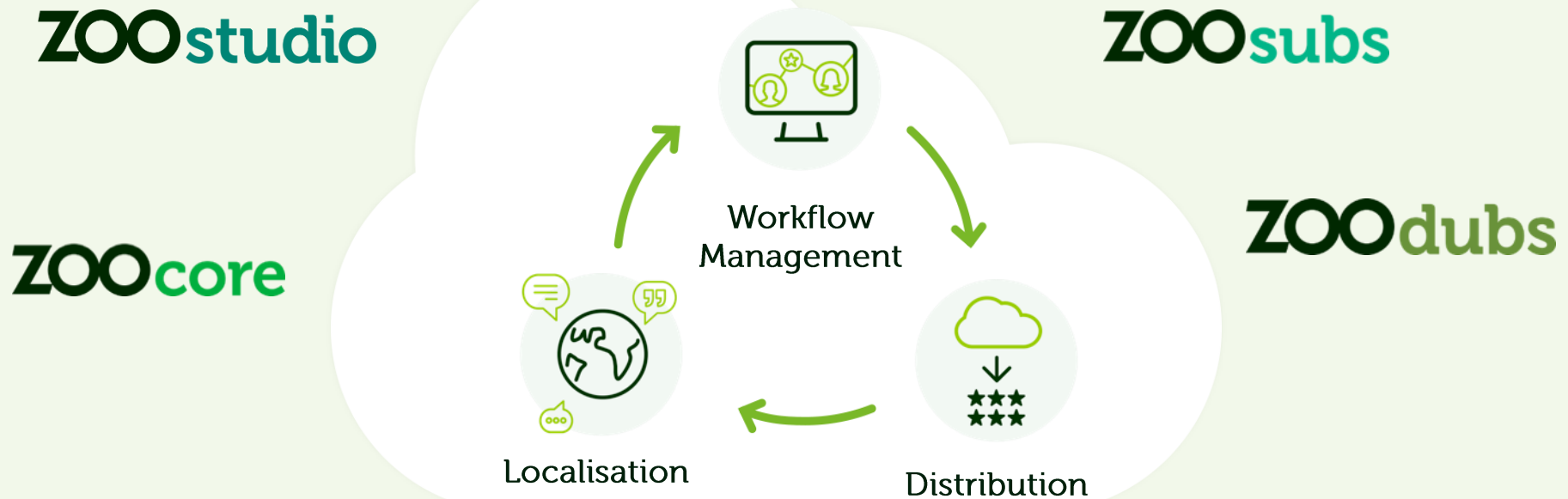
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About ZOO: Global Content Services



Connected in the cloud

Powered by Proprietary ZOO Technology



**Designed to streamline, centralise and
automate complex global workflows**

Trusted by major Hollywood Studios and Global Brands for over 10 years



The Market and Growth

VHS

1977

**DVD
VIDEO**

1995

Blu-ray Disc

2006

hulu

Apple iTunes

vudu

PlayStation.Vue



wuaki.tv
Smart Entertainment



Google Play

NOW TV

amazon
instant video

Roku

vevo

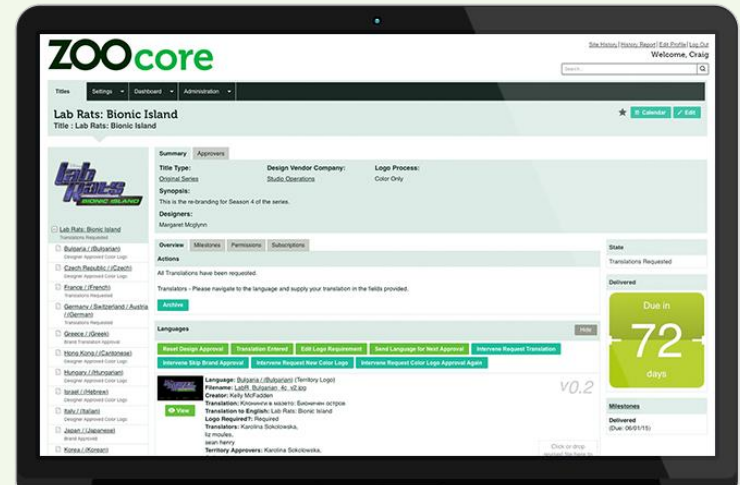
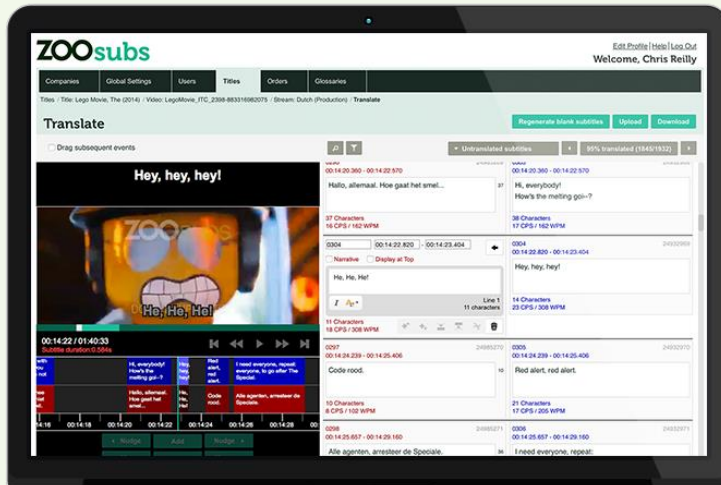


2016

The Market and Growth

- Online retailers (Apple, Amazon, Google, ...) give much enlarged opportunity due to their global reach
- Research from European Commission and Common Sense Advisory suggests subtitling market of over \$500m annually
- According to Digital Entertainment Group, overall electronic sell-through (EST) spending rose 18% in calendar 2015
- Research from Adobe and The Diffusion Group indicates that US consumers now spending 42% of TV viewing time watching streaming video services
- In the US, growth of video captioning services has been brought about by legislation, including recent changes in Federal Communications Commission (FCC) regulations
- According to Frost & Sullivan, in 2015 English language prime-time scripted shows in the US grew 94% since 2009
- According to Ofcom, 23% of UK adults used Netflix weekly in 2016 (up 10% since 2014)

The ZOO Difference



Competitive Advantage

- Efficient proprietary technology gives advantages over established video localisation service providers, e.g.
 - SDI Media
 - Deluxe Digital
 - BTI Studios
- Full service offering differs from specialist technology providers e.g.
 - Screen Systems
 - EZTitles
 - Amara

Strategy

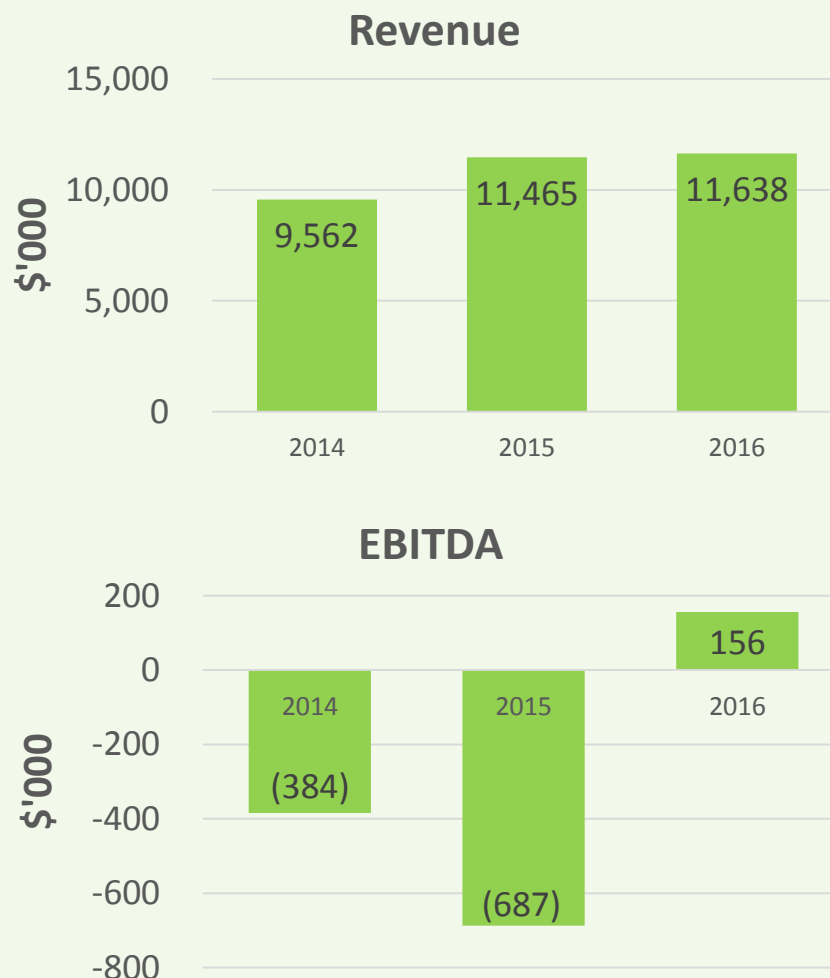
- Extend software platforms to apply automation which improves quality, lowers cost, and enhances management control
- Engage scalable contract labour for translation, quality control, metadata preparation, etc.
- Continue to innovate to fulfil end-to-end services for digital video distribution
- Secure position as preferred vendor with leading media organisations

Financial Results

Results to March 2016

- 29% increase in customer numbers
- Small increase in total revenues with a 23% increase in adjusted* revenues
- Gross margin 79%

* excluding revenue attributable to the service delivery arm of one of our largest customers that was disrupted during a change of ownership



Recent Successes

- Established as preferred vendor for a leading online retailer of video entertainment
- Appointed as a preferred vendor for two major Hollywood studios
- Selected by Apple as an approved iTunes aggregator for feature films and TV series
- Appointed as an approved aggregator for hoopla – a major US online library service
- Selected by BBC Worldwide to provide subtitle and caption management solution
- Formed partnerships with vendors in Middle East, India and Pakistan

Outlook

- Continuing to secure relationships with large content owners and online retailers
- Innovating with new technology platforms to deliver greater efficiencies and broader scope
- Increasing penetration of an expanding market with a differentiated proposition



Video content seen and heard around the world faster and more cost-effectively than ever before

www.zoodigital.com

Appendix

The Board



Roger Jeynes, Chairman – Roger has over 20 years experience in the technology sector, encompassing senior sales, marketing and general management roles in the UK, Italy and the USA with IBM, Pyramid Technology Inc., and EMC Corporation. His most recent executive position was Chief Operating Officer at AIM-listed technology merchant bank Interregnum Plc.



Dr. Stuart Green, CEO – Previously CTO of ZOO Digital Group, CEO of Kazoo3D plc, Technical Director of LightWork Design Limited. Stuart has over 25 years experience in team building and executive management in the software industry. He has more than 30 patents granted in the fields of image processing and digital media production.



Helen Gilder, Group Finance Director – Joined ZOO as Group Financial Controller in 2000 and became Group Finance Director in 2006. Previously Helen was Finance Director within a highly acquisitive listed technical group of companies. Qualified ACA in 1991.



Gordon Doran, Commercial Director – Held senior positions in sales and marketing roles for a variety of UK and US companies in the software industry since the early 1990s. Most recently COO for Mediostream Inc. – a consumer DVD software developer; joined ZOO in 2005 to establish a North American division where he now operates in the role of President.

Consolidated Statement of Comprehensive Income for the years ended 31 March

	2016 \$000	2015 \$000
Revenue	11,638	11,465
Cost of sales	(2,399)	(2,483)
Gross Profit	9,239	8,982
Other operating income	115	-
Other operating expenses	(9,198)	(9,669)
Profit/(loss) before interest, tax, depreciation and amortisation	156	(687)
Depreciation	(181)	(214)
Amortisation and impairment	(1,078)	(1,200)
Total operating expenses	(10,457)	(11,083)
Operating loss	(1,103)	(2,101)
Exchange gain/(loss) on borrowings	206	561
Finance cost	(559)	(584)
Total finance cost	(353)	(23)
Loss before taxation	(1,456)	(2,124)
Tax on loss	669	66
Loss and total comprehensive income for the year attributable to equity holders of the parent	(787)	(2,058)

Consolidated Statement of Financial Position as at 31 March

	2016 \$000	2015 \$000
ASSETS		
Non-current assets		
Property, plant and equipment	433	421
Intangible assets	7,382	7,967
Deferred income tax assets	486	486
	8,301	8,874
Current assets		
Trade and other receivables	2,531	1,918
Cash and cash equivalents	314	325
	2,845	2,243
Total assets	11,146	11,117
LIABILITIES		
Current liabilities		
Trade and other payables	(3,096)	(3,031)
Borrowings	(142)	(105)
	(3,238)	(3,136)
Non-current liabilities		
Borrowings	(6,142)	(5,453)
Total liabilities	(9,380)	(8,589)
Net assets	1,766	2,528

Consolidated Statement of Cashflows for the years ended 31 March

	2016 \$000	2015 \$000
Cash flows from operating activities		
Operating loss for the year	(1,103)	(2,101)
Depreciation	181	214
Amortisation and impairment	1,078	1,200
Share based payments	21	21
Purchase of own shares	-	(1)
Exchange loss on foreign operations	-	-
Changes in working capital:	-	-
(Increases)/decreases in trade and other receivables	(613)	1,289
Increases in trade and other payables	65	60
Cash flow from operations	(371)	682
Tax received	669	66
Net cash flow from operating activities	298	748
Investing Activities		
Purchase of intangible assets	(493)	(569)
Purchase of property, plant and equipment	(32)	(67)
Net cash flow from investing activities	(525)	(636)
Cash flows from financing activities		
Repayment of borrowings	(145)	(512)
Proceeds from borrowings	710	1,187
Finance cost	(349)	(584)
Net cash flow from financing	216	91
Net (decrease)/increase in cash and cash equivalents	(11)	203
Cash and cash equivalents at the beginning of the year	325	122
Cash and cash equivalents at the end of the year	314	325

Major Shareholders

Shareholder*	% of capital
Funds managed by Foresight Group	19.1
Herald Investment Trust plc	19.4
Stuart Green (CEO)	14.9
John Henry Holdings Inc.	6.6
Hargreaves Lansdown Nominees Ltd	4.9
TD Direct Investing Nominees Europe Ltd	3.5
Lynchwood Nominees Ltd.	3.1

- As of 16 August 2016 the Company had been made aware of the above shareholdings amounting to 3% or more of the ordinary share capital of the Company.

Issued share capital and total voting rights = 32,660,660 ordinary shares.