

Directors' Report and Financial Statements
Keywords Studios Unlimited Company
For the year ended 31 December 2024

KEYWORDS STUDIOS UNLIMITED COMPANY

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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KEYWORDS STUDIOS UNLIMITED COMPANY

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

DIRECTORS: Andrew Kennedy
Denis O'Sullivan
Adrian Zilinsky

REGISTERED OFFICE: Whelan House
South County Business Park
Leopardstown
Dublin 18
D18 T9P8

REGISTERED NUMBER: 623473

AUDITORS: BDO
Block 3, Miesian Plaza
50-58 Baggot Street Lower
Dublin 2
Ireland

BANKERS: Citi International plc
1 Northwall Quay
Dublin 1
Ireland

KEYWORDS STUDIOS UNLIMITED COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report with the financial statements of the company for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a treasury company.

BUSINESS REVIEW

The directors are satisfied with the performance of the company during the year.

RESULTS AND DIVIDENDS

The company incurred a loss after taxes for the year of \$16,054,173 (2023: profit of \$115,758).

There were no dividends paid during the financial year ended 31 December 2024 (2023: \$0).

Principal Risks and Uncertainties

Liquidity, credit and cash flow risk

Liquidity and cash flow risks are managed at group level, to ensure the company has adequate funding and liquidity. The company has widened its customer base during the year and it has no significant concentrations of credit risk.

Currency risk

The company has activities in jurisdictions using non-Dollar currencies, mainly Pound sterling. This results in levels of currency transaction risk. Currency risk is managed at group level, where the currency risks of individual entities can be netted or balanced across the group.

DIRECTORS

The directors of the company are;

Giacomo Duranti (Resigned 18th October 2024)
Andrew Kennedy
Denis O'Sullivan
Adrian Zilinsky
Robert Kingston (Resigned 18th October 2024)

GOING CONCERN

The company incurred a loss of \$16,054,173 for year ended 31 December 2024 and had net liabilities of \$9,505,082. As at the balance sheet date, the company was dependent upon the continued financial support of Keywords Studios Limited (formerly Keywords Studios PLC), its parent company, to enable it to meet its obligations as they fell due. The company understands this financial support will continue to be made available. Thus the financial statements have been prepared on a going concern basis.

STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 330 of Companies Act 2014:

- a) so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

FUTURE DEVELOPMENTS

The directors will continue the present activities of the Company in the ensuing year.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act, 2014, with regards to accounting records by employing accounting personnel with appropriate expertise and providing adequate resources to the financial function. The accounting records of the company are maintained at Whelan House, South County Business Park, Leopardstown, Dublin 18.

ELECTORAL ACT, 1997

The company made no political donations during the year.

KEYWORDS STUDIOS UNLIMITED COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date, and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014 and the Companies (Accounting) Act 2017.

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

- select suitable accounting policies for the company's financial statements 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 reasons for any material departure from those standards;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and the Companies (Accounting) Act 2017 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


STATEMENT ON AUDIT COMMITTEE

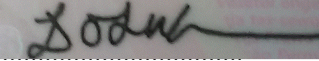
The company has decided not to establish an audit committee as the directors are satisfied with the following in respect of the company: (i) the monitoring of the financial reporting process; (ii) the monitoring of the effectiveness of the company's systems of internal control, internal audit and risk management; (iii) the monitoring of the statutory audit of the company's statutory financial statements; and (iv) the review and monitoring of the independence of the statutory auditors and in particular the provision of additional services to the company.

AUDITORS

Following a tender of the Group audit, EY will be proposed for appointment at the next Annual General Meeting.

ON BEHALF OF THE BOARD:

Signed by:

.....
2BB4D7069CCB4FB...
Andrew Kennedy
Director

Signed by:

.....
6A3811B08774493...
Denis O'Sullivan
Director



Tel: +353 1 470 0000
 Fax: +353 1 437 0654
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 bdo.ie

Block 3, Miesian Plaza
 50-58 Baggot Street Lower
 Dublin 2, D02 Y754
 Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYWORDS STUDIOS UNLIMITED COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Keywords Studios Unlimited Company ('the Company') for the year ended 31/12/2024, which comprise the Statement of financial position as at year ended 31/12/2024, the statement of comprehensive income and statement of changes in equity for the year ended 31/12/2024 and notes to the financial statements. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

In our opinion the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31/12/2024 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and Companies Act 2014. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Offices:
 103/104 O'Connell St
 Limerick, V94 AT85

Brian McEnery (Managing Partner)
 Simon Carbery
 Stewart Dunne
 Chris Fogarty
 Patrick Glover

Brian Hughes
 Ronan Harbourne
 Diarmuid Hendrick
 Liam Hession
 Ken Kilmartin

Stephen McCallion
 Aine McInerney
 Teresa Morahan
 Ursula Moran
 Siobhan Phelan

Donal Ryan
 Richard Sammon
 Gavin Smyth
 Richard Warren-Tangney
 Paul Creedon

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors and those charged with governance for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

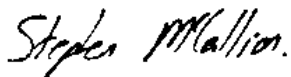
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.



Signature:
Stephen McCallion
for and on behalf of
BDO Ireland Statutory Audit Firm


Date **25/02/2026**

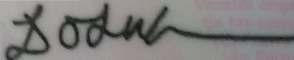
KEYWORDS STUDIOS UNLIMITED COMPANY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
	Note	\$	\$
Turnover	3	4,714,424	8,946,719
Cost of sales		<u>-</u>	<u>-</u>
Gross profit		4,714,424	8,946,719
Share option expense		(707,063)	(277,729)
Administrative expenses		<u>(22,488,533)</u>	<u>(9,184,484)</u>
Operating profit/(loss)		(18,481,172)	(515,494)
Income from shares in group undertakings		-	-
Interest receivable and similar income	5	42,732,240	25,195,591
Interest payable and similar charges	6	<u>(40,065,797)</u>	<u>(24,482,907)</u>
Profit/(Loss) on ordinary activities before taxation	4	(15,814,729)	197,190
Tax on profit on ordinary activities	7	(239,444)	(81,432)
Profit/(Loss) for the financial year		<u>(16,054,173)</u>	<u>115,758</u>

The notes on pages 10 to 17 form part of these financial statements.

Signed by:

2BB4D7069CCB4FB:.....
 Andrew Kennedy
 Director

Signed by:

6A3811B08774493:.....
 Denis O'Sullivan
 Director

Date: 24th February 2026


KEYWORDS STUDIOS UNLIMITED COMPANY

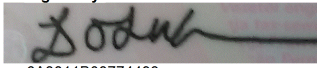
**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
Non-Current assets			
Tangible Fixed Assets	10	91,114	-
Investments		-	-
Debtors due after more than 1 year	11	58,624,099	286,761,957
		<u>58,715,213</u>	<u>286,761,957</u>
Current assets			
Cash at bank and in hand	12	34,864,464	18,867,496
Debtors	11	276,665,127	191,842,902
		<u>311,529,591</u>	<u>210,710,398</u>
Creditors: amounts falling due within one year	13	177,856,882	280,605,181
Net current assets		133,672,709	(69,894,783)
Creditors: amounts falling due after one year	13	201,893,004	213,259,786
		<u>(9,505,082)</u>	<u>3,607,388</u>
Net liabilities		(9,505,082)	3,607,388
Capital and reserves			
Called up share capital presented as equity	14	21,676	24,752
Other reserve	15	3,225,390	2,617,510
Merger reserve	15	6,206,752	7,085,855
Foreign exchange reserve		-	(3,216,002)
Profit and loss account	15	(18,958,900)	(2,904,727)
		<u>(9,505,082)</u>	<u>3,607,388</u>

The notes on pages 10 to 17 form part of these financial statements.

The financial statements were approved by the Board of Directors on the 24th February 2026 and were signed on its behalf by:

Signed by:

2BB4D7069CCB4FB.....
 Andrew Kennedy
 Director

Signed by:

6A3811B08774493.....
 Denis O'Sullivan
 Director

Date: 24th February 2026

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Other reserve	Called up share capital	Foreign exchange reserve	Merger reserve	Profit and loss account	Total
		\$	\$	\$	\$	\$	\$
At 01 January 2023		2,363,316	24,752	(3,336,343)	7,085,855	(3,020,486)	3,117,095
Profit for the year		-	-	120,340	-	115,758	236,099
Dividend paid	10	-	-	-	-	-	-
Share based payment expense		254,194	-	-	-	-	254,194
Balance at 31 December 2023		2,617,510	24,752	(3,216,002)	7,085,855	(2,904,727)	3,607,388
Profit for the period		-	-	712,297	-	5,068,348	5,780,645
Balance at 28 February 2024		2,617,510	24,752	(2,503,705)	7,085,855	2,163,621	9,388,033
Change in functional currency on 01.03.24		(99,170)	(3,076)	2,503,705	(879,103)	-	1,522,356
Share based payment expense		707,050	-	-	-	-	707,050
Loss for the period		-	-	-	-	(21,122,521)	(21,122,521)
Balance at 31 December 2024		3,225,390	21,676	-	6,206,752	(18,958,900)	(9,505,082)

The notes on pages 10 to 17 form part of these financial statements.

KEYWORDS STUDIOS UNLIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. STATUTORY INFORMATION

Keywords Studios Unlimited Company, is a private unlimited company (registered under the Companies Act 2014), incorporated in Ireland. The Registered Office is Whelan house, South County Business Park, Leopardstown, Dublin, D18 T9P8, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report on Page 2.

2. ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and Irish statute comprising of Companies Act 2014 and the Companies (Accounting) Act 2017. The financial statements have been prepared under the historical cost convention.

On 01 March 2024, the Company changed its presentation currency to US Dollars (\$) from Euro (€). The change in presentation currency has been applied retrospectively and the prior year (2023) has been restated to US Dollars (\$), in accordance with section 10 of FRS 102.

Per FRS 102 paragraph 30.9:

- Monetary items in the balance sheets have been translated at the closing rate at the balance sheet dates.
- Non-monetary items in the balance sheets have been measured at historic cost, translated at the exchange rate on the date of transaction and are not subsequently translated.
- Income statements and cashflows have been translated at average rates for exchange throughout the relevant periods.
- Foreign exchange differences have been posted to the translation reserve.

Going concern

As at the balance sheet date, the company was dependent upon the continued financial support of Keywords Studios Limited (formerly Keywords Studios PLC), its intermediate parent company, to enable it to meet its obligations as they fell due. The company understands this financial support will continue to be made available. Thus the financial statements have been prepared on a going concern basis.

Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- The requirements of section 7 Statement of Cash Flows;
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 26 Share Based Payments, paragraphs 26.18 (b), 26.19 to 26.21 and 26.23.

Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from the provision of services is recognised in the accounting period in which the services are rendered.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'operating profit'.

KEYWORDS STUDIOS UNLIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Deferred tax

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Dividend Distribution

Final dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recognised when paid.

Investments

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

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Financial instruments

Basic financial assets/liabilities including trade and other receivables/payables, intercompany, cash and bank balances and investments in commercial paper, are initially recognised at transaction price unless the arrangement constitutes a financing transaction (loan over period of time) where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Such assets/liabilities are subsequently carried at amortised cost using the effective interest method.

Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgements:

Recoverability of intercompany receivable balance

The recoverability of intercompany receivable balances has been guaranteed by the ultimate parent company Keywords Studios Limited.

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. TURNOVER

The whole of the turnover attributable to the company's principal activity. In accordance with Section 62(6) Sch 3 of the Companies Act, 2014, the directors consider it to be seriously prejudicial to the interests of the company to disclose information regarding turnover.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after:

	2024	2023
	\$	\$
Audit fees	6,478	8,249
Exchange differences	<u>16,331,323</u>	<u>1,353,416</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income includes the following:

	2024	2023
	\$	\$
Intercompany interest receivable	<u>42,307,912</u>	<u>25,195,591</u>
	<u>42,307,912</u>	<u>25,195,591</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges include the following:

	2024	2023
	\$	\$
Intercompany interest payable	32,760,126	24,321,761
Bank interest paid	<u>7,305,671</u>	<u>161,145</u>
	<u>40,065,797</u>	<u>24,482,907</u>

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024****7. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the period was as follows:

	2024	2023
	\$	\$
Current tax:		
Corporation tax	217,130	69,886
Deferred tax	22,314	11,547
Tax on loss on ordinary activities	239,444	81,433

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in Ireland. The difference is explained below:

	2024	2023
	\$	\$
Profit/(loss) on ordinary activities before tax	<u>(15,814,729)</u>	<u>197,191</u>
	2024	2023
	\$	\$
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5%	(1,976,841)	24,649
Deduct Dividend income	-	-
Depreciation in excess of Capital allowances	-	31,675
Add back share option costs	88,383	34,716
Other non deductible expenses	313,867	-
Other timing differences	142,119	(43,235)
Withholding Tax incurred	120,038	-
Income tax withheld	8,221	105
Prior Year Under / (Over) Provision	88,871	21,976
Group relief of tax losses - Surrender / (Claimed)	<u>1,432,472</u>	<u>-</u>
Total current tax charge	217,130	69,886

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. EMPLOYEE BENEFITS

Staff costs, including directors' remuneration, were as follows:

	2024	2023
	\$	\$
Wages and salaries	516,010	580,508
Social insurance costs	64,703	62,166
Cost of defined contribution scheme	21,961	20,798
Share based payment costs	707,063	277,729
	<u>1,309,737</u>	<u>941,200</u>

No employee costs were capitalised during the year.

8. EMPLOYEE BENEFITS (CONTINUED)

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

	2024	2023
	No.	No.
General and administration	2	2
Directors	1	1
	<u>3</u>	<u>3</u>

9. DIRECTORS REMUNERATION

	2024	2023
	\$	\$
Directors' emoluments	324,791	230,185
Share based payment costs	887,063	-
	<u>1,211,854</u>	<u>230,185</u>

	2024	2024	2023	2023
	Per share	Total	Per share	Total
	\$	\$	\$	\$
Dividends Paid				
Final dividends paid	-	-	-	-
Dividends paid to shareholders	-	-	-	-

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. TANGIBLE FIXED ASSETS

	Computers and software	Furniture and equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Cost				
At 1 January 2024	15,099	701	-	15,800
Additions	91,114	-	-	91,114
Transfers	-	-	-	-
At 31 December 2024	106,213	701	-	106,914
Depreciation				
At 1 January 2024	15,099	701	-	15,800
Charge for the year	-	-	-	-
Transfers	-	-	-	-
At 31 December 2024	15,099	701	-	15,800
Net book amount at 31 December 2024	91,114	-	-	91,114
Net book amount at 31 December 2023	-	-	-	-

11. DEBTORS

	2024	2023
	\$	\$
Amounts falling due within one year		
Intercompany loans	276,264,036	190,831,101
Prepayments	-	-
Other debtors	289,562	208,711
Deferred tax asset	14,059	180,970
Corporation Tax	97,470	622,119
	<u>276,665,127</u>	<u>191,842,902</u>

Amounts receivable from parent company are interest free and repayable on demand.

	2024	2023
	\$	\$
Amounts falling due after more than one year		
Intercompany loans	58,624,099	286,761,957
	<u>58,624,099</u>	<u>286,761,957</u>

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024****12. CASH AND CASH EQUIVALENTS**

	2024	2023
	\$	\$
Cash at bank and in hand	<u>34,864,464</u>	<u>18,867,496</u>
	<u>34,864,464</u>	<u>18,867,496</u>

13. CREDITORS

	2024	2023
Amounts falling due within one year	\$	\$
Trade creditors	74,249	85,289
Other creditors	16,172	49,013
PAYE/PRSI liability	21,244	24,568
Accruals	155,045	457,374
Intercompany Loans	177,590,172	279,988,936
Corporation Tax	-	-
	<u>177,856,882</u>	<u>280,605,180</u>

Amounts owed to parent company and subsidiaries are interest free and repayable on demand.

	2024	2023
Amounts falling after more than one year	\$	\$
3rd party loan	-	106,958,914
Intercompany Loans	<u>201,893,004</u>	<u>106,300,871</u>
	<u>201,893,004</u>	<u>213,259,786</u>

The terms of amounts owed to group undertakings are based on the underlying contracts and are interest bearing.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	2024	2023
			\$	\$
2,000,000	Ordinary	€0.01	21,676	24,752

The ordinary shares hold no rights to fixed income.

KEYWORDS STUDIOS UNLIMITED COMPANY (FORMERLY KEYWORDS STUDIOS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED 31 DECEMBER 2024

15. RESERVES

Called up share capital

This represents the nominal value of shares that have been issued by the company.

Share capital to be issued

This represents the nominal value of shares that have been allotted but are yet to be issued by the company.

Other reserves

This reserve represents the corresponding increase in equity as a contribution from the parent associated with the fair value of share option benefits given to employees of the company.

Share premium account

This reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and Loss account

This reserve comprises all current and prior period retained profits and losses deducting any distributions made to the company's shareholders.

16. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

17. CAPITAL COMMITMENTS

There are no capital commitments in the company at year end.

18. FINANCIAL GUARANTEES

During the year, the Company agreed to act as guarantor for a notional cashpool and other related treasury services for certain fellow subsidiaries. The Company may be required to make payments in the event that any subsidiary participating in the cashpool is unable to meet its obligations.

19. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Keywords Treasury Holdings Limited which is incorporated in Ireland at Whelan House, South Country Business Park, Dublin, Ireland.

The ultimate parent undertaking is Houting B.V. and its registered office is Herikerbergweg 84, Amsterdam, 1101CM, Netherlands. Keywords Studios Limited (formerly Keywords Studios Plc), a company incorporated in the United Kingdom, is the parent undertaking of the group for which consolidated financial statements are prepared that include the results of the Company. Copies can be obtained from the Companies House website.

20. APPROVAL OF FINANCIAL STATEMENTS

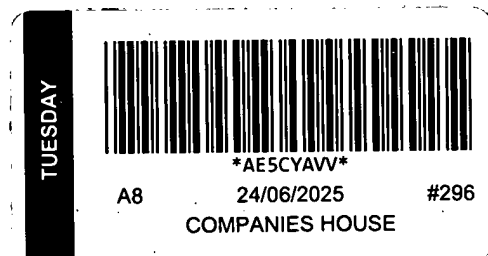
The board of directors approved these financial statements and authorized them for issue on the 24th February 2026.

Keywords Studios Limited

(formerly Keywords Studios plc)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2024



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Company Information

Directors	Bertrand Bodson Jon Hauck Rob Kingston
Company secretary	Gavin White
Registered office	4th Floor 110 High Holborn London WC1V 6JS
Principal bankers	Citibank N.A., London Branch Citigroup Centre, Canada Square Canary Wharf London E14 5LB ING Bank N.V., Dublin Branch Block 4, Dundrum Town Centre Sandyford Road, Dundrum Dublin 16 Ireland HSBC Continental Europe 38 Avenue Kléber 75116 Paris France
Auditors	BDO Registered Auditors Block 3, Miesian Plaza 50-58 Lower Baggot Street Dublin 2 Ireland
Registration number	08548351

Strategic Report for the Year Ended 31 December 2024

The Directors present their Strategic Report for the year ended 31 December 2024.

Review of the year

On 03 July 2024, the boards of Keywords Studios Limited (previously Keywords Studios plc) (the "Company") and its subsidiaries (the "Group"/"we"/"our"/"Keywords") and Houting UK Limited ("Bidco") (a newly formed company indirectly wholly-owned by EQT's BPEA Fund VIII ("EQT"), and equity co-investors (i) CPP Investments (acting through its wholly-owned subsidiary CPPIB PHI4) and (ii) Rosa Investments), reached an agreement on the terms of a recommended final cash acquisition of the entire issued and to be issued ordinary share capital of Keywords Studios plc by Bidco for a price of £24.50 per share.

The offer valued the entire issued and to be issued ordinary share capital of the Group at approximately £2.1 billion on a fully diluted basis. On 30 August 2024, Keywords shareholders voted in favour of the Transaction and the transaction was effected by way of a Scheme of Arrangement, which became effective on 23 October 2024 with the trading of the shares cancelled from AIM on 24 October 2024.

The new ownership structure of the business represents an exciting new chapter for the business as we continue our journey and look to accelerate our growth in the coming years.

The Group generated a loss for the year before taxation of \$65.7m (2023: profit of \$36.5m). The Group would like to direct your attention to the following movements:

- Revenue from contracts with customers increased by \$36.6m or 4.3% to \$879.2m. This performance included the impact of acquisitions in 2024, which supported growth in the Create division. Engage saw strong performance, with the Group growth impacted by challenges in Globalize due to the current market conditions.
- Gross profit decreased to \$298.7m from \$322.9m in 2023 with more moderate margins attributable to the market backdrop.
- The Group generated an Operating loss of \$50.4m compared to an Operating profit of \$49.3m in the prior year. Administration expenses include Exceptional items of \$70.3m (2023: \$29.4m) and Share-based payment expense of \$55.6m (2023: \$23.7m), both of which were inflated by the takeover of the Group. Excluding these expenses Operating profits would have been \$75.5m (2023: \$102.4m) or down \$26.9m, which is largely explained by the drop in margins year on year. Other administration increased by 2% to \$196.3m (2023: \$192.3m) as expenses were managed tightly in the period.
- Loss before taxation was \$65.7m down from a profit of \$36.5m in 2023 explained by the above mentioned decrease in gross profit of \$24.2m and increase in Administration expenses of \$75.5m (2024: \$349.2m versus 2023: \$273.7m). The Loss before tax results in a Taxation swing from an expense of \$16.2m in 2023 to a credit of \$8.8m in the current year, resulting in a Loss after tax of \$56.9m for the year (2023: \$20.2m profit).
- Net financing expenses of \$15.3m (2023: \$12.8m) increased \$2.5m year on year explained mainly by higher interest expenses on borrowings to finance acquisitions of \$6.2m (2024: \$12.4m versus 2023: \$6.2m), and favourable foreign exchange movements of \$3.2m (2024: \$1.9m gain versus 2023: \$1.3m loss).
- The Group acquired four companies during the year, with a total consideration of \$46.6m net of cash received. These companies have added revenue and profit before tax of \$11.3m and \$0.1m respectively.
- The Group has maintained a strong balance sheet position with net assets of \$658.2m (2023: \$660.5m); cash and cash equivalents of \$49.7m (2023: \$66.1m), while borrowings increased \$58.8m to \$199.4m to fund acquisitions. As explained in note 18 the legacy debt facility was repaid on takeover, and Group borrowings are now payable to Bidco.
- The Group delivered operating cash flows of \$60.2m in the year, compared to \$121.7m in 2023, driven by a combination of profitability, Exceptional items and working capital movements, with both Exceptional items and Working capital adjustments inflated by expenses associated with the takeover of the Group. Investing cash flows of \$113.6m were lower than 2023 (\$243.3m) due to lower spend on acquisitions.

Principal risks and uncertainties

Our principal risks are those risks which are identified as key factors that may prevent the delivery of our strategic priorities or as having a potentially material impact on the Group. They can relate to one or more strategic, financial or operational matter. The inherent and residual nature of each risk is evaluated on a regular basis, with consideration given to the changing nature of the risk, whether the source of the risk is internal or external, interdependencies between risks and the target residual risk based on our risk appetite. Operating controls and appropriate mitigations are set and monitored for each principal risk.

Emerging risks are also identified and reviewed on a regular basis to allow the Group to identify and effectively respond to new and evolving risks in the operating environment. These risks and how they evolve over time were discussed at the Audit Committee and continue to be monitored closely by senior management and addressed throughout the year. Following a period of review, emerging risks may be included as a new principal risk, added to an existing principal risk, or deemed to be mitigated and removed.

The principal risks and uncertainties impacting the Group and the mitigation of such risks are as follows:

1. Sudden business interruption

Keywords is a global business and needs to minimise business interruptions and be able to continue servicing customers. This threat could be internal, such as a major failure in its IT systems, physical restrictions on staff, studios, production equipment but also external, such as natural disaster or the global pandemic in 2020, when the Group was able to quickly move to a work from home model, and services remained robust throughout. Without access to key systems, data or dedicated work locations, services to clients and/or the ability to report to investors on a timely basis could be adversely affected.

Mitigation

The Group's multiple, full-service delivery hubs provide for a good level of contingency and, supported by business continuity and disaster recovery plans, the effects of such disasters can be managed.

Keywords also operates a highly distributed model, with operations in 26 countries. This, in addition to the business successfully operating as a hybrid working model, provides the Group with the ability to service clients from different locations, as required, along with experienced IT teams to carry out recovery when needed.

The Group carries out scenario planning to identify potential environmental changes at key studio locations enabling the Group to plan mitigating actions.

2. Breaches to information and cybersecurity

The industry requires the highest standards of security and privacy from a company offering services such as Keywords.

Exploitation of under-protected software, hardware, information assets or resources and inability to react and resolve may lead to piracy, disruption of customers' marketing plans, loss of competitive edge and could result in compensation claims.

An increase in volume of client IP naturally results in an increased threat of leaks of unpublished IP, confidential business or personal private data which could potentially cause disruption.

Strategic Report for the Year Ended 31 December 2024 (continued)

Mitigation

The Group uses various third-party and proprietary tools and technologies for process control and productivity purposes. Continued investment in these tools is important to ensure the Group's effectiveness and is a part of the Group's business continuity planning.

Keywords maintains physical and data security and privacy policies and procedures which are regularly audited by its larger customers and seeks to maintain appropriate insurance coverage to support the management of potential threats and attacks. Due to the increasing sophistication of cyber adversaries and the techniques that they use, our internal teams regularly test our systems to prepare against potential malicious actors.

A dedicated Information Security team and Global Head of Privacy sets policies, conducts regular penetration testing, monitors activity and rapidly responds to any incidents that arise.

The Group regularly provides comprehensive security and privacy training to all employees to ensure they understand their roles and responsibilities in protecting sensitive information.

3. Failure to manage human resources/talent effectively

Establishing Keywords as a leading destination for talent is one of the Group's key strategic focus areas. Keywords employed an average of 12,872 people in 26 countries across the Group, and people management is key to performance and service delivery. Failure to attract, retain or develop high quality entrepreneurial talent across the business could impact on the attainment of strategic objectives.

Mitigation

Keywords' culture has been fundamental to the Group's success as it binds teams together, whilst preserving the individual cultures of the studios. The Group's People & Culture leadership team is focused on talent development, talent management and enhancing employee engagement.

The Group works to develop and incentivise its people and to support their passion to provide the best service for clients. Special emphasis is placed on the prevention of any form of discrimination, harassment or malpractice in the workplace. This is supported by the review and consistent communication of employee handbooks, global policies and Code of Business Conduct. In order to provide consistent long-term access to talent, the Group is building local talent development, and has dedicated talent acquisition initiatives.

The Group's Diversity, Equity, Inclusion and Belonging agenda for 2023-2025 includes targeted initiatives for talent acquisition and development to increase women's participation in its workforce and at senior levels in the business.

4. Unsuitable large acquisition and/or failure of integration process

Keywords has an active acquisition agenda which complements its strategic ambitions. Selecting the right acquisitions, managing them successfully and embedding the Keywords culture is a crucial ingredient of success. Failure to do so could result in the business not achieving the expected financial and operational benefits and adversely impact growth, profitability and cash flow.

Mitigation

The Group has a focused M&A strategy targeting attractive industry segments where it has built detailed knowledge. The key areas of focus are Game Development, Marketing, Technology, and certain adjacent elements of the Media and Entertainment industry.

For each acquisition, the Group has an established process led by a dedicated corporate development team, which involves the relevant senior management in the acquisition process to lead detailed due diligence. The shared services team support the Divisions with the integration process and have issued an updated integration manual to support both Keywords and the acquired business in the process. Management regularly presents the acquisition pipeline to the Board and provide a detailed diligence report ahead of formal approvals, which incorporates the integration plan for the business.

The Group also uses earn-out structures linked to future performance as part of its acquisition consideration, including equity, in order to incentivise good performance as well as promote retention of key staff.

5. Non-compliance with legal, regulatory and social standards

Reporting standards and disclosure requirements regularly evolve, including in areas such as climate change, sustainability, whistleblowing and sanctions. A material failure to comply, anticipate and respond in a timely manner to applicable legal and social standards could result in penalties, costs, reputational harm and damage to relationships with suppliers and customers.

Mitigation

The Group's Code of Business Conduct guidelines were rolled out to all studios during 2021, they are reviewed annually, and are supported by more detailed policies and procedures, a number of which are published on the Group's website. The whistleblowing process is enhanced by our Keywords Integrity line, a 24-7 online portal for whistleblowing reporting and confidential communications in line with recent EU and other local requirements. The Group has an increased focus on environmental impact, with measures to reduce energy consumption/carbon footprint and is expanding its reporting of GHG emissions. It is in the process of implementing an automated tool to help calculate emissions, which will support long-term ambitions to meet net zero targets. The Group works on monitoring and horizon scanning of new legislation and standards and any changes are discussed at Board and Audit Committee meetings.

6. Financial loss and reputational damage due to fraud

The strong reputation of Keywords makes it attractive to clients and potential employees. Fraud and cybercrime in particular are becoming more sophisticated which, if not managed appropriately, could lead to substantial impact on the Group.

Mitigation

The Group has invested in and continues to invest in its financial reporting function, treasury function and their systems to facilitate strong reporting and management controls as it grows. The Group's procedures include regular operating reviews, underpinned by a continual focus on ensuring the effectiveness of internal controls. Management provides a fraud assurance letter to the Board as part of the year-end reporting process each year, and ad hoc updates are provided on areas of concern by the Auditor and Internal Audit. The whistleblowing hotline provides an opportunity for suspected incidents to be reported and investigated as soon as possible.

7. Negative impact of currency risk

The Group transacts in multiple currencies and Keywords is exposed to both short-term currency risks, in addition to longer-term risk that could develop between its functional currency and its multiple billing currencies.

Mitigation

The Group serves a global customer base, with production facilities spread across multiple geographies and currencies. The Group has a Treasury policy, and, where possible, manages foreign exchange risk at a local level by matching the currency in which revenue is generated with the expenses incurred and by settling liabilities denominated in their functional currency with cash generated from their own operations in that currency. Where entities invoice in a foreign currency, studios have the ability to offset adverse foreign exchange currency movements through increasing prices. Hence the Group does not hedge its currency risk. In addition to revenues and expenses being impacted by movements in exchange rates, the Group is also exposed to gains or losses related to the effect of translating net current assets held in foreign currencies.

Strategic Report for the Year Ended 31 December 2024 (continued)

8. Cross-contamination risk

One of the Group's strategic focus areas is to create strategic partnerships with key industry players to enable closer long-term collaboration and enhance the ability of the Group to cross-sell services to each of its key clients. Keywords also intends to sign "Lighthouse deals" with key clients that will involve complex service delivery across multiple services. The risk of failure in one Division contaminating the relationship with the same customer across the other Divisions increases.

Mitigation

Adhering to Keywords' strong standards of delivery and efficient communication across service lines is key to managing this risk. As the Group forms strategic partnerships with major customers, it is conducting regular reviews with them to ensure Keywords continues to deliver against expectations and identify any potential emerging issues so that they can be addressed. The Group's central sales systems for clients and contracts provides a high-level oversight of client numbers, large clients and services performed within the sales and customer teams. Also, revenue generated from single customers across multiple services is increasing. Keywords has also introduced new roles within the organisation that are designed to develop the appropriate solutions for clients at the outset of a project, as well as new roles that support the service delivery to key clients.

9. Failure to deliver services

Most of Keywords' services are of a time-sensitive nature. Delays or service delivery failures could potentially impact the development or launch plans for games or result in lost contracts and/or idle capacity. A rise in milestone-based projects, which carry a higher risk than time and materials projects, as well as increased requirements from clients around carbon and sustainability reporting could potentially impact the reputation of the Group.

Mitigation

Delivering on agreed deadlines is an integral part of the Group's modus operandi, and we prioritise timely delivery and flexible resourcing to meet these deadlines, with Divisional oversight of key projects applied across the Group. The Group also utilises technology to support the scheduling of its resources on a studio-by-studio basis. Post-pandemic, the business has adapted its contracts and processes to ensure that it is able to complete contracts in a hybrid manner to provide more flexibility and support its ability to deliver against contracts. The Group's legal team is typically involved from the onset of contract/project negotiations with a view to ensuring that appropriate provisions are included in our agreements with clients. The Group's management team also monitors and reviews client requirements to ensure relevant ESG expectations are met.

10. Tax credit withdrawal risk

The Group receives multimedia tax credits ("MMTC") in Canada and video games tax relief ("VGTR") in the UK and similar incentives in other jurisdictions. These tax credit regimes are designed to promote growth and investment in the relevant regions. Any reduction or cancellation of these tax credits would increase the cost base of the business and make the business less competitive. The Group will need to have the ability to pivot to a lower cost base if incentives are changed or eliminated.

Mitigation

The Group works closely with regulators, gaming associations and governments in relation to relevant country tax credits and has been given no indication that these tax credits will be removed in the medium term. Due to the Group's geographically diversified operating platform it retains an element of flexibility in being able to move work to other operating centres if material changes were made.

11. Global political risk and uncertainty

As a result of its geographic spread, the Group is exposed to a wide range of political, economic, regulatory, social and tax environments. Policies or laws, as well as armed conflict involving the countries in which Keywords operates, may change in a manner that may be adverse for the Group, even those with stable political environments.

Mitigation

Keywords is monitoring geopolitical trends around the Group with management conducting horizon scanning for political changes across the Group. A business continuity planning programme is being embedded into the organisation with the diversification and spread of activities geographically to mitigate the risk of disruption in any one location.

12. Client concentration risk

The majority of the Group's revenues come from global gaming companies whose revenues tend to greatly exceed those of Keywords. These companies have exacting standards and demand a high quality of service. Keywords' top five customers in 2024 accounted for 44.6% of Group revenue (2023: 30.8%), and whilst large publishers may have the same parent company, they are unlikely to become insolvent at once. Dependence on individual clients can lead to revenue or margin pressures.

Mitigation

The potential impact is partially mitigated through the Group's highly flexible resource base. The Group continues to expand its footprint and is seeking to make relationships more strategic with key clients. Despite their size, clients tend to be composed of several individual entities which have certain levels of autonomy over purchasing decisions. Keywords is also focused on maintaining and enhancing both bottom up and top down relationships. Our leadership team and studios are proactive in reviewing client accounts, including the breadth of services and debt recovery. We continue to seek out and build relationships with new clients and support the growth ambitions of smaller clients.

13. Negative impact of regulation on video games

Failure to anticipate and respond to regulatory changes in respect of regulation on video games, such as those seen in the Chinese market which imposed curfews on minors, and requirements to address responsible gaming in the industry introduces complexity for clients. Changes and new requirements could result in the delay or cancellation of video games by customers.

Mitigation

In relation to the Chinese market, Keywords has limited revenue exposure to games destined solely for the Chinese market. In addition, any potential impact is partially mitigated through the Group's diverse geographic revenue base. Responsible gaming issues arising during game play can be identified by engaging with industry trade associations as well as by the Player Engagement teams, who have a dedicated Trust and Safety team trained to handle and report safety incidents as well as support the team members exposed to such incidents.

14. Threat from technology innovation and industry disruption

Innovations in the gaming industry continue to evolve. New technologies for automated testing, machine translation and other services, together with a failure to maintain or update Keywords technology, systems and applications to reflect what is in the wider gaming community, could pose a threat to the Group in the long term.

Mitigation

As a key strategic focus area, the Group is focused on effectively utilising technology for the benefit of the Group and its clients. The Group is constantly innovating to create and adopt technology tools to deliver its services more effectively, and participates directly with customers in various pilot programmes for new technologies to keep abreast of technological developments. The Group is also investing in existing tools and conducting regular assessments of technology debt and vulnerabilities whilst developing a focused, balanced strategy for technology acquisitions. Keywords continues to strengthen the senior management team in this area, led by our Chief Digital Information Officer, as well as having a standalone innovation team, led by a dedicated Executive Committee member, to drive its innovation agenda forward.

Strategic Report for the Year Ended 31 December 2024 (continued)

People

Our most valuable asset is our skilled, passionate, and committed workforce. As a global, multicultural organization, we embrace and value individuality while fostering collaboration across teams to provide exceptional service for every project and client. 2024 was an eventful year, with challenging market conditions, and the business moving from public to private ownership which meant that employee engagement become even more important.

An average of 17,877 full-time employees made up our global team in 2024, balanced across the Americas, Europe and the Middle East, and Asia-Pacific. We grew our average employee base by 4% compared to 2023, primarily due to acquisitions. During the year our eNPS fell to 21 from 28, primarily due to restructuring activity.

One of the major programmes across the year was the development of our Digital People Experience as we prepared to roll out Workday across the Group in 2025, which has been a significant endeavour and we believe will provide significant benefits to both employees and the Group once complete.

Health and Safety

We are focused on the health and well-being of our workforce, ensuring safe work environments across all locations. Our leaders have responsibility for health and safety in the workplace, and all employees help instill a positive safety culture to minimise accidents. No task is so urgent that compromising safety is permissible. We have implemented a flexible, studio-led approach encompassing in-office, hybrid, and remote work environments to optimally balance employee and client needs. Our proactive stance on mental health and wellness aims to help our people flourish. We encourage employees to report any threatening situations, enabling us to take proactive measures to protect well-being.

Employee engagement

A key area of focus for the Group is to maintain consistent and high levels of employee engagement. We foster open communication through various channels, including global town halls led by senior management and a +200-member Key Communicator network that empowers managers and leaders to disseminate information effectively. In 2024, we piloted the European Collaborators Network, designed to facilitate knowledge sharing among more junior studio representatives. In 2024, we launched Game Breaks, informal sessions connecting employees and the CEO to discuss key topics. Now, in 2025, we are reimagining how we connect with our People. We're moving beyond traditional global town halls to launch dynamic, on-demand internal campaigns: engaging content, accessible anytime, anywhere, with subtitles ensuring inclusivity for all our global teams. We will expand the Collaborators Network to the Americas and APAC regions, further amplifying knowledge sharing. Furthermore, we will broaden our Game Breaks, enabling more leaders to connect directly with staff. Throughout 2024, we hosted inclusion calendar activities, from Neurodiversity Celebration Week, to Keywords Studios Women's Summit, to Global Accessibility Awareness Week to build awareness and interaction on these topics. Through 2024, we have consistently grown the employee led neurodiversity network, Women in Games Ambassador group, and studio level diversity and inclusion communities which all support inclusive engagement.

While embracing these new approaches, we will continue to utilise our global communications email process for standard communications and Viva Engage as our internal social media platform, ensuring a comprehensive and multi-faceted communication ecosystem. These combined efforts aim to create a cohesive narrative that incorporates both the Company's vision and employee experiences. Through all these touch points, we continuously survey our employees and gather insights, allowing us to make data-driven decisions that align with our business goals. These initiatives are deeply connected to our Leadership Principles, with the goal of making our communications more meaningful and impactful.

We continue to work hard to make Keywords a great place to work, with our initiatives increasingly recognised. As an example of this, we are delighted that our d3t, Coconut Lizard, Electric Square, Studio Gobo, Wushu Studios and Indigo Pearl studios were included in GamesIndustry.biz's 2024 Best Places to Work Awards in the UK. Keywords Studios Manila was also recertified as a Great Place to Work in the Philippines.

Training and Development

We provide training and development programmes across the Group to nurture our talented people. Whilst most initiatives are embedded within specific studios and services to suit each discipline, we do have some specialist teams such as games testing which facilitate rapid onboarding. Our testing business' "Level Up" programme enables ambitious testers to take on more responsibility and progress. We also have Academies in India which now include game development. In the past year we have undertaken Group-wide training on DEIB as we seek to make sure that our language and behaviours build inclusion, and we have recently undertaken a leadership development pilot for a small cohort of our promising talent.

Community

We encourage support of causes that are meaningful to our employees and business partners. We support them to do this by donating time, services and financial resources. In 2024, Keywords Studios and its employees continued to demonstrate commitment to making a positive impact across regions, communities, and causes, with over 115 initiatives taking place ranging from mentorship, environmental, accessibility, STEAM and volunteering. To ensure such social initiatives are impactful, Keywords offers a financial assistance scheme through the Keywords Cares donation matching programme. In 2024, through the combined efforts of individual and team charitable efforts, and matches through Keywords Cares, we donated over \$110,000 to registered charities around the world, a material increase on the previous year.

Diversity, Equity, Inclusion and Belonging ("DEIB")

We are steadily building our impact in diversity and inclusion in Keywords. One of our key areas of work is gender diversity. Through 2024 we maintained a new hire rate of 34% for women and successfully reached our 2024 target of 28.0% (2023: 27.0%) women in the organisation (up from 25% in 2021). Currently, 1% of colleagues are non-binary and 70% are men, with a further 1% not disclosing. Across our Group, Create has the lowest proportion of women, and Media and Entertainment the highest. We will continue to build diversity in our candidate pools through our inclusive hiring activities across service lines, and look to ensure retention through our employee engagement efforts.

We completed our second year of the Keywords 2023-2026 DEIB strategy, designed to take us to the next stage of diversity and inclusion maturity. We delivered against our primary focus areas of shared direction, learning, and visibility; achieving objectives such as 86% of employees in the staff survey reporting Keywords as a fair working environment, global provision of training courses and inclusion calendar activities, and reaching 2,000+ ambassadors in the Keywords powered Women in Games Ambassador Programme.

Strategic Report for the Year Ended 31 December 2024 (continued)

Planet

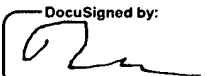
Whilst we are not a large emitter of greenhouse gases ("GHG"), we recognise our responsibility to minimise our impact on the planet as well as to respond to our stakeholder needs. In our efforts to minimise our impact on the planet, we are continuing to progress towards achieving our emission reduction targets. In line with our established short-term plans, we continue to focus on the use of renewable energy, where we have operational control of the building, and lowering energy consumption across the Group for emission reductions.

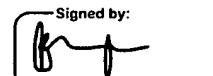
During the year, we saw a 21% increase in our Scope 1 & 2 emissions (market-based), due to both the growth of the business and number of locations, and changes in working patterns in certain locations as more employees worked from offices in locations with high emission factors, such as Poland. Our total energy consumption grew by 11%. Whilst we are disappointed that our revenue intensity ratio has marginally increased during the year, we remain well set to achieve our longer term target of reducing by 50% our direct carbon emission intensity ratio ahead of 2030 (tonnes of CO₂e per revenue \$m).

The number of studios powered by renewable energy is 24 (2023: 24).

More detailed information regarding our GHG emissions can be found on pages 10 to 13.

Approved by the board on 11 June 2025 and signed on its behalf by:

DocuSigned by:

11333DF0A50B4BE...
Jon Hauck
Director

Signed by:

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Rob Kingston
Director

Directors' Report for the Year Ended 31 December 2024

The Directors present the Annual Report, together with both the audited consolidated financial statements and the parent company (Keywords Studios Limited) financial statements for the year ended 31 December 2024.

Acquisition of the Group

During Q4 2024, Keywords Studios Limited (previously Keywords Studios plc) was acquired by a consortium of EQT, CPPIB and Temasek. This acquisition resulted in the delisting of Keywords Studios plc from the AIM market. The Company is now a subsidiary of Houting Topco B.V., a Dutch-registered entity, with its immediate parent company being Houting UK Limited. As a large private company, this report complies with all relevant statutory and regulatory requirements.

Principal activity

Keywords Studios Limited and its subsidiaries (the "Group") is a global technical and creative services provider to the video games and entertainment industries. A detailed review of the Group's financial performance and activities is contained within the Strategic Report.

Change of Company name

Effective 24 October 2024, following its delisting from the AIM market and subsequent re-registration, the Company is now known as Keywords Studios Limited.

Directors of the Group

The Directors, who held office during the year, were as follows:

Bertrand Bodson

Jon Hauck

Rob Kingston

Don Robert (resigned 23 October 2024)

Charlotta Ginman (resigned 23 October 2024)

Neil Thompson (resigned 23 October 2024)

Georges Fornay (resigned 23 October 2024)

Marion Sears (resigned 23 October 2024)

Corporate governance

The Company is committed to upholding the highest standards of corporate governance. As a private limited company, the Company applies the Wates Corporate Governance Principles for Large Private Companies. At Keywords, we pride ourselves on conducting business responsibly by maintaining the highest ethical standards and integrity at every turn. We take our broader corporate duty seriously, mindful of our role in society and impact on the environment. Our large global team across 26 countries makes us extremely proud in upholding our core principles, while engaging colleagues, customers and communities.

Business ethics

The Group maintains a strong ethical framework, underscored by our Code of Business Conduct, which promotes positive behaviour, honesty, and integrity.

Whistleblowing

The Group is committed to the highest levels of integrity and accountability and fosters an environment where employees feel confident and supported by the Group in speaking up and shining a light on unethical behaviour. Our whistleblowing portal allows colleagues and third parties to raise concerns about possible financial or other irregularities, anonymously should they wish to.

Human Rights

The Group does not tolerate any form of modern slavery or human trafficking in any part of our business. The Group's annual Modern Slavery Statement is published on its website. The Group operates to international standards and principles, including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and UNICEF's Children's Rights and Business Principles.

The Group continues to make all reasonable endeavours to ensure all employees and suppliers are not subject to any form of forced, compulsory/bonded labour or human trafficking through our Supplier Code of Conduct, which is also available to view on the Group's website.

Data Privacy

The Group is committed to processing data in accordance with its responsibilities under applicable data protection legislation, and has created the Keywords Privacy Framework, based on the General Data Protection Regulation (GDPR). This framework is constantly updated to take into account other applicable privacy regulations. The Group regards the lawful and correct processing of personal information by the Group as very important to our successful operations and for maintaining confidence between our clients and ourselves.

Mergers and Acquisitions ("M&A")

The Group is an acquisitive business and applies strict financial and non-financial criteria to investment decisions, and the Board receives a detailed acquisition report to support balanced and well informed decision-making. As part of a thorough pre acquisition due diligence process, the Group conducts a review of the diversity, equity, inclusion and belonging policies, environmental and culture characteristics and initiatives of acquisition targets. The Group operates a comprehensive integration process post-acquisition, formalised by an agreed integration plan tailored to the relevant business designed to ensure seamless integration.

Tax governance

The Group takes a balanced approach to the management of its tax affairs and has a tax policy which is approved by the Board. The Group's overall strategy is to meet its tax obligations and ensure that long-term shareholder returns are responsibly optimised by structuring our business and transactions in a tax efficient manner, whilst taking into account reputational factors.

Directors' Report for the Year Ended 31 December 2024 (continued)

Directors' indemnity provisions

As permitted by the Company's Articles of Association and the Companies Act 2006, the Directors had the benefit of an indemnity from the Company in respect of liability incurred as a result of their office throughout the financial period and at the date of approval of these financial statements. The Group also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Section 172 statement

The Directors have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to the matters set out in section 172(1) of the Companies Act 2006.

Principal risks and uncertainties

The Group is subject to numerous risks and uncertainties, details of these and mitigation of these is included in the Strategic Report.

Political and charitable donations

No political donations were made in the year. During the year, the Company continued its commitment to supporting various charitable causes, reflecting its ongoing corporate social responsibility. Similar to previous years, donations were focused on initiatives related to education, community support, and industry-related charitable activities.

Appointment of auditors

Following a tender of the Group audit, EY will be proposed for appointment at the next Annual General Meeting.

Going concern

After making enquiries, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the Consolidated and Company financial statements. In doing so the Directors have considered the following:

- The cash position of the Group through the year;
- The continued demand for the Group's services;
- The historical resilience of the broader video games industry in times of economic downturn; and
- The ability of the Group to flex its cost base in response to a reduction in trading activity.

The Directors have prepared cash flow forecasts and have applied downside sensitivities to the Group's cash flow projections which indicate that the Group will be able to remain within its banking covenants and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

The Directors have received a confirmation from Houting UK Limited that it will not seek repayment of any intercompany loans if such repayment would result in the Company being unable to meet its liabilities as and when they fall due, for a period of at least twelve months from the date of approval of these financial statements. For this reason, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Events after the reporting date

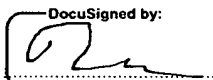
There have been no significant events since the reporting date.

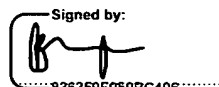
Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- Each Director has taken all reasonable steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Approved by the board on 11 June 2025 and signed on its behalf by:

DocuSigned by:

1133DF0A5DB4BE...
Jon Hauck
Director

Signed by:

836359F959BC406...
Rob Kingston
Director

Statement of Directors' Responsibilities

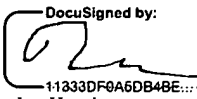
The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

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

Approved by the board on 11 June 2025 and signed on its behalf by:

DocuSigned by:

11233DF0A6DB4BE.....
Jon Hauck
Director

Signed by:

836358F859BC406.....
Rob Kingston
Director

Climate-related Financial Disclosures Report

This report sets out Keywords' climate-related financial disclosures, current approach and future commitments. The Group confirms its compliance with the requirement of The Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022, which aligns with guidance set out by the Task Force on Climate-related Financial Disclosures (TCFD).

The Group has continued to integrate climate change into our overall risk management processes as part of its assessment of climate related risks and opportunities that could impact our business, as well as the resilience of our strategy under different climate scenarios. Following the work undertaken in 2023, that remains relevant in 2024 and is disclosed in more detail in the following sections, we have provided disclosures consistent with all 11 of TCFD's recommended disclosures.

We will continue to improve our disclosures over time and recognise that we have further work to do to meet best practice. In 2025 we intend to create a detailed net zero transition plan to support our ambitions and intend to submit this plan to the Science Based Target initiative.

TCFD recommended disclosures

	Page number
Governance	
Disclose the organisation's governance around climate related issues and opportunities.	
(a) Describe the Board's oversight of climate-related risks and opportunities.	10
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	10
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	10
(b) Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning.	11
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a two degrees or lower scenario.	11
Risk management	
Disclose how the organisation identifies, assesses and manages climate-related risks.	
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	12
(b) Describe the organisation's process for managing climate-related risks.	12
(c) Describe how processes for identifying and managing climate-related risks are integrated into the organisation's overall risk management.	12
Metrics and targets	
Disclose the metrics used to assess and manage relevant climate-related risks and opportunities where such information is material.	
(a) Disclose the metrics used to assess and manage relevant climate-related risks and opportunities in line with its strategy and risk management process.	12
(b) Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.	12
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	13

Governance

Keywords has continued to evolve and formalise its approach to its ESG governance and oversight, including climate change. In 2024, the Board oversaw our Group-wide ESG approach, with support from the ESG Management Committee, which comprised the relevant functional leads for each of the pillars of the ESG approach and met regularly to drive progress across our ESG initiatives.

During the year, the Board received updates on progress across a range of ESG KPIs, including climate, and a deep dive on environmental progress. In addition to this, the Audit Committee is responsible for reviewing and monitoring the Group's overall risk profile and management of risk, including climate-related risks, and the effectiveness of internal controls.

The Risk and Compliance Committee ("RCC") is responsible for approving the Environmental Policy with local studios empowered to manage their climate-related risks relevant to their location. The RCC reports into the Audit Committee and is supported in its work by the Internal Audit function, which assesses Group significant risk, the effectiveness of risk management and internal controls, and reports on principal and emerging risks to the Audit Committee. The Internal Audit function has a direct reporting line to the Audit Committee Chair.

For further details of our approach to risk management, refer to the Strategic Report.

Strategy

Our strategy is to grow both organically and through M&A to enable us to do more with our clients. As a service provider, we have a relatively small carbon footprint compared to other "harder to abate" sectors but the Group has generally made good progress on reducing our emissions intensity over the past few years. The Board and Executive Leadership team ensures that sustainability is an important part of our strategy and through 2024 received regular updates on our sustainability initiatives.

All material risks are considered as part of our business strategy development and financial planning. Currently, we do not believe that climate-related issues have had an impact on our financial performance or position, nor do we expect them to in the foreseeable future.

As part of our ongoing process to expand our understanding of potential climate-related risks and their impacts, the Group conducted its first climate-related scenario assessment, in 2023, to both identify risks that could impact the Group's operations and future strategy, as well as to understand how each of these could develop under different climate projections.

To conduct this review, we engaged an external specialist to develop climate-risk profiles for a number of our key operating locations, selected based on their significant current and expected future contribution to Group revenue and their geographic and division split. The assessment focused on reviewing potential physical and transitional risks occurring under the current global warming trajectory, a lower-carbon scenario in line with the Net Zero Emissions by 2050 (NZE) target, and a higher-carbon scenario assuming a business-as-usual future. More details on this analysis can be found in the 2023 Annual Report, but we believe that this analysis remains relevant for risk management purposes in 2024.

Climate-related Financial Disclosures Report (continued)

Risk category	Risk type	Description	Financial impact	Time horizon	Comments / Response
Transitional risks	Policy & Legal / Reputational	Lack of compliance with increasing regulatory standards and client requirements	Increased costs due to additional reporting requirements, or mandatory reductions in carbon emissions. Failure to comply with this risk, which is relatively low, could result in possible regulatory fines, loss of business and damage to our reputation.	Short term (0-2 years) Medium term (3-7 years) Long term (8-25 years)	Governance structures in place to manage sustainability, including the effects of climate change on our business. We continually monitor the regulatory and legal environment and take external advice as required. Regular dialogue with key clients around their climate requirements.
Transitional risk	Reputational	Concerned or negative perceptions from stakeholders that we have not responded appropriately to climate change.	Increased turnover of staff and challenges in attracting new talent or new business from clients could lead to increased operating costs and lower revenues.	Short term (0-2 years) Medium term (3-7 years) Long term (8-25 years)	Group has a Sustainable Studios programme that it plans to enhance in 2025 and is committed to setting Science Based Targets in 2025.
Transitional risks	Market / Policy & Legal	Cost of securing reliable energy supply to studios and/or carbon pricing/taxes.	Risk of energy shortages or rising prices in different jurisdictions, with potential for carbon taxes to be implemented or increased which will lead to higher operating costs.	Long term (8-25 years)	Energy costs are a small proportion of overall costs, but the Group is moving to energy-efficient premises and reducing its footprint where possible.
Physical risks	Acute / chronic	Sudden business interruptions from environmental disasters.	Inability to operate from certain business premises, or employees unable to perform their roles due to climatic conditions.	Short term (0-2 years) Medium term (3-7 years) Long term (8-25 years)	Business is set up to operate remotely and given the scale can re-allocate work across the Group if required.
Transition opportunity	Market	Keeping up with social change.	Companies with a leading response to climate change could attract new customers, investors and employees.	Short term (0-2 years) Medium term (3-7 years)	We intend to raise the profile of our Sustainable Studios programme internally and are increasingly proactive with clients about our sustainability initiatives. We are also committed to setting Science Based Targets in 2025.

Transitional risk analysis

The transitional risk review placed particular focus on energy markets due to the integral role that access to renewables will play in our transition to net zero. Additional transitional risks relating to regulatory and supply chain impacts were also considered. None of these potential risks were considered to be material following review by the cross-function working group.

The area presenting the greatest risk to the Group continues to be client requirements, as has been identified in previous years. The increasing market concentration within the video games industry means that failure to meet specific client requirements could lead to significant impacts on our revenue if contracts were to be suspended. We are continuing to cooperate with our clients in support of their climate ambitions to ensure this risk is minimised and as part of this response, we are developing our own transition strategy. This will be a Group-wide plan with set milestones to our net zero target. Demonstrating our climate progress may also present an opportunity with larger clients, as competitors may not be able to demonstrate similar advancement, and this could support us being embedded as a key supplier. Client requirements were not projected to change dramatically under the different climate scenarios.

The Group recognises the limitations of any scenario assessment and will continue to review its findings as part of our ongoing risk management process. Potential risks will be analysed regularly to assess that our materiality position remains correct. For those risks not identified as material, we will still endeavour to develop and implement mitigations to minimise their impacts both on our own operations and on our employees. We will also be looking to roll out this process across the wider Group in the coming years as part of our continual risk identification procedures.

Climate-related Financial Disclosures Report (continued)

Physical risk analysis

The 2023 assessment reviewed a number of physical risks, including heat stress, flooding and wildfires. The risk profiles varied significantly for each of the three regions assessed. However, in all assessed locations, it was noted that the majority of the physical risks would likely have a greater impact on our employees and communities than on our own facilities and operations. The key risk identified for employees stemmed from greater heat stress across all three regions, presenting a growing threat to health. Whilst less at direct risk from heat stress, several studio locations were identified as being at risk from flooding, particularly as tidelines rise in the longer term. This presents the danger of loss of access to our facilities, as well as damage to the hardware and servers within them. This could disrupt our ability to continue operations even on a remote-working basis if employees lost server-based files and systems.

In 2023, a cross function working group assessed the results and their materiality to the Group and determined that none of the physical impacts identified presented a material risk, based on the Group's materiality threshold, under any of the scenarios assessed. It is the Group's opinion that this analysis and determination remains valid in 2024, based on our ability to rapidly switch operations both to remote working and between studios, should a region be impacted. Relocating operations is already factored into our business continuity plans, which are reviewed regularly, and are implemented in the event of an adverse weather-related event such as Hurricane Milton which temporarily impacted our operations in Florida in October 2024.

Risk management

As the risks from climate change emerge and develop, they are subject to the Group's standard risk management framework and shall continue to be monitored closely. Following on from our scenario assessment, we will continue to identify and analyse emerging climate-related risks and opportunities in conjunction with Internal Audit and the Risk and Compliance Committee. Identified risks and their potential impacts are assessed for their materiality in line with our standard risk management framework. Material risks are prioritised based on their likelihood of occurrence and the severity of their potential impacts. Please refer to the Principal Risks and Uncertainties section within the Strategic Report for more information.

We will also continue to engage with external specialists to support our internal functions. This includes the building of our net zero transition strategy, and our alignment with emerging reporting standards and regulations.

All material risks are subject to our standard risk management processes, which is evolving to a three lines of defence model and outline our risk prevention and mitigation procedures and guidelines. Mitigations for climate-related risks are often developed at the local level, with support from Group functions, in recognition of the unique challenges that each region will face. Oversight of the climate-related risk management process remains with the risk functions, including the Risk and Compliance Committee and the Audit Committee.

Metrics and targets

In line with the Streamlined Energy and Carbon Reporting (SECR) disclosure, Keywords undertook its fifth formal review of the Group's global energy usage, resulting in the identification, assessment and measurement of our energy and GHG emissions.

In keeping with previous years, we have used the GHG Protocol Corporate Accounting and Reporting standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024 and International Energy Agency (IEA) conversion factors for non-UK electricity to calculate our disclosures. As well as absolute emissions figures, the information is presented as an intensity ratio against Scope 1 and Scope 2 emissions once market-based deductions have been accounted for, against both employee numbers and our revenue in \$m. These figures were calculated from data available from regional offices across the Group. Where direct consumption data was not available, data has been extrapolated in line with GHG Protocol allowances.

We continue to report on Scope 3 – Category 3: Well-to-Tank emissions (WTT) related to the combustion of fuels and operation of facilities related to our Scope 1 and Transmission & Distribution emissions (T&D) in relation to the purchase of electricity related to Scope 2. In addition, we have continued to collect data around our Scope 3 – Category 1: Purchased goods and services, and this year have included Category 2: Capital goods.

GHG emissions data

	2024 UK and offshore	2024 Global	2023* UK and offshore	2023* Global
Tonnes of CO2e				
Scope 1 – Combustion of fuels and operation of facilities	3	180	6	232
Scope 2 – Emissions from purchase of electricity, heat, steam, and cooling purchased for own use	347	6,377	307	5,366
Total Scope 1 and Scope 2 emissions (Location-based)	350	6,557	313	5,598
Scope 2 Market-based emissions reduction	(207)	(700)	(221)	(512)
Total Scope 1 and Scope 2 emissions (market-based)	143	5,857	92	5,086
Scope 3 – Category 3: Well-to-Tank (WTT) related to Scope 1 and Transmission & Distribution (T&D) related to Scope 2	36	606	27	485
Scope 3 – Category 3 Market-based emissions reductions	(17)	(47)	(19)	(35)
Total - Scope 3: Category 3 (Market-based)	19	559	8	450
Total - Scope 1, 2 and Scope 3: Category 3 (Market-based)	162	6,416	100	5,536

*Reporting year end was changed to 31 December in 2024, with prior year restated. Global emissions cover our entire Group which includes UK and offshore.

Scope 1 – Includes emissions from the combustion of fuels and the operation of our facilities.

Scope 2 – Our Scope 2 emissions are derived from the purchase of electricity. This has been split between Location- and Market-based to account for those operations switching to green and renewable tariffs.

Scope 3 – Our Scope 3 reporting includes emissions in relation to our operations, Transmission & Distribution, and Well-to-Tank.

Climate-related Financial Disclosures Report (continued)

In 2024 our global Scope 1 and 2 emissions (Location-based) were 6,557 tonnes CO₂e, representing an increase of 17.1% on the prior year. UK emissions accounted for 350 tonnes of CO₂e, 12.2% higher than the previous year, and representing 5.3% of global emissions. The increase in emissions is largely attributable to acquisitions in the UK and US, and the expansion or relocation of a number of studios, including in Eastern Europe, where there are carbon intensive grid networks. We are continuing to use a spend-based method to calculate our Scope 3 – Category 1: Purchased goods and services and Scope 3 – Category 2: Capital goods emissions. This area of reporting requires assumptions and estimations to be taken where spend categories did not accurately align with the emission factors available, but we continue to work on improving its accuracy.

Our Global Scope 3 – Category 1: Purchased goods and services and Global Scope 3 - Category 2: Capital goods emissions are set out below:

Tonnes of CO ₂ e	2024	2023*
Scope 3 – Category 1: Purchased goods and services	7,161	7,083
Scope 3 – Category 2: Capital goods	<u>1,269</u>	<u>1,239</u>

*Reporting year end was changed to 31 December in 2024, with prior year restated.

Energy consumption (MWh)

	2024 UK and offshore	2024 Global	2023* UK and offshore	2023* Global
Energy consumption (MWh)				
Scope 1 – Energy consumption from the combustion of fuels and operation of facilities	17	949	31	669
Scope 2 – Energy consumption from purchase of electricity, heat, steam, and cooling purchased for own use	<u>1,677</u>	<u>14,926</u>	<u>1,512</u>	<u>14,412</u>
Total energy consumption	<u>1,694</u>	<u>15,875</u>	<u>1,543</u>	<u>15,081</u>

*Reporting year end was changed to 31 December in 2024, with prior year restated. Total energy consumption includes all activities for which the Group is responsible, as Scope 1 and 2.

The energy consumption is calculated using electricity purchased (kWh) and fuel volumes converted to kWh using the UK Government GHG Conversion Factors for Company Reporting, presented in MWh.

In 2024, our global energy consumption was 15,875 MWh, with the UK representing 10.6% of our global energy consumption. In 2023, the UK represented 10.4% of our global energy consumption of 14,412 MWh.

Intensity ratio (tonnes of CO₂e per unit)

	2024	2023*
Ratio of Scope 1 & 2 emissions to employees	0.46	0.41
Ratio of Scope 1 & 2 emissions to revenue (\$m)	<u>6.66</u>	<u>6.03</u>

*Reporting year end was changed to 31 December in 2024, with prior year restated.

The intensity metric is calculated using Market-based emissions.

The baseline used for the intensity reduction target is 2020. The Group may choose to restate the baseline in future depending on acquisitions and if more accurate information becomes available.

In comparison to 2023, our 2024 emissions intensity by revenue and employee both regressed, with a 15% increase in Scope 1 & 2 emissions from office expansions in several carbon intensive countries in Eastern Europe, and acquisitions outpacing relatively modest headcount and revenue increases (both 4%). In 2025, we are developing our next generation of short and long-term carbon emission targets and a decarbonisation transition plan, which is aligned with the Science-based Target Initiative (SBTI) and global goal of limiting temperature rise to 1.5°C. This work will involve resetting our baseline, enhancing our methodology and reporting scope, refining our emissions reduction strategies, setting decarbonisation milestones, and increasing efforts to reduce carbon emissions at our high-emitting studios, particularly those in carbon intensive regions, while also engaging our supply chain. In addition to our targets and development of our transition plan, the Group will review whether further KPIs are required to effectively respond to our identified climate risks.



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Independent auditor's report to the members of Keywords Studios Limited

Opinion

We have audited the financial statements of Keywords Studios Limited ('the company') and its subsidiaries ('the Group') for the year ended 31 December 2024, which comprise the the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity, and notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and the Company as at 31 December 2024 and of the Group financial performance and cash flows for the year then ended.
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group and parent Company's ability to continue as a going concern included:

- We considered as part of our risk assessment the nature of the company, its business model and related risks, the requirements of the applicable financial reporting framework and the system of internal control.
- We have reviewed the Directors' assessment of the Group and Company's ability to continue as a going concern, challenging the underlying data and key assumptions used to make the assessment, and stress tested the directors' plans for future actions in relation to their going concern assessment.
- We have reviewed the historical accuracy of budgeting and forecasts made by the Group and Company as an indicator as to their reliability,
- We have reviewed the performance of the business in the year, including its cash flow performance, liquidity position, and financing facilities, up to and including the date of signing the audit opinion.

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

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

Other Offices:

103/104 O'Connell St
Limerick, V94 AT85

Brian McEnery (Managing Partner)
Simon Carbery
Stewart Dunne
Chris Fogarty
Patrick Glover

Brian Hughes
Ronan Harboume
Diarmuid Hendrick
Liam Hession
Ken Kilmartin

Stephen McCallion
Aine McInerney
Teresa Morahan
Ursula Moran
Siobhan Phelan

Donal Ryan
Richard Sammon
Gavin Smyth
Richard Warren-Tangney

Key audit matters

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

1 Acquisition accounting & purchase price allocation

Key Audit Matter

The Group has entered a significant number of acquisitions and business combinations throughout the year, which have had a material and extensive impact on the group's financial performance and position.

Following the purchase price allocations (in which identifiable assets and liabilities assumed were recognised at fair value), \$675m (2023: \$594m) of goodwill has been recognised cumulatively to date. The fair value of certain identifiable assets acquired, and liabilities assumed in a business combination is different from their carrying amounts in the acquired statements of financial position which can give rise to fair value adjustments as part of the purchase price allocations of these business combinations. Accordingly, the cumulative acquisitions are material, and significant judgement is required in relation to the purchase price allocations including the resulting goodwill.

Management determined the fair value of the identifiable assets and liabilities and notably the value of the customer relationships and Intellectual property. The valuation of these assets was primarily based upon the expected future cash flows related to these acquisitions.

A number of these acquisitions have also included deferred consideration in the form of shares and cash payments at future dates, which add further complexity with regard to the acquisition-date fair value of such consideration as part of the consideration transferred in exchange for the acquisitions and business combinations.

Related Disclosures and Significant Judgements

Refer to note 2 of the accompanying consolidated financial statements for the accounting policy in relation to business combinations. In addition, note 3 outlines the key accounting judgements related to business combinations, while detailed disclosures have been made in relation to the current year business combinations in note 26 to the financial statements.

Audit Response

We have reviewed the underlying contracts and share purchase agreements relating to each acquisition to assess whether the basis for treatment of the acquisitions is in accordance with the accounting policy and International Financial Reporting Standard 3 – Business Combinations.

We have assessed the carrying value of each material balance at the date of acquisition and have reviewed management's assessments of the fair value of the assets and liabilities acquired, and in particular, the methodology applied in the valuation of intangible assets and goodwill.

Our procedures included;

- We reviewed the methodology applied to identify the categories of intangible assets,
- We evaluated whether the cash flow forecasts used in the valuation are consistent with information approved by the Board and have reviewed the historical accuracy of management's forecasts in order to assess the reliance which can be placed upon management's forecasting,
- We have challenged the key assumptions such as the growth factors and discount rates by comparing them to relevant market rates and historic acquisitions to evaluate whether management had been consistent in its approach to valuations, and
- We assessed the adequacy of the acquisition disclosures in the Group's financial statements.

In addition, we have examined the terms of all business combinations to assess whether the fair value of any deferred / contingent consideration is treated appropriately in accordance with the group accounting policy and IFRS 3.

We also examined the key post combination employment contracts of former shareholders of the acquired entities, reviewing the substance of the transactions and considered whether they have been appropriately accounted for in line with the group accounting policy and the requirements of IFRS 3.

2 Valuation of goodwill and intangible assets

Key Audit Matter

As a result of both the current year and prior year acquisitions, the group has amassed significant intangible assets and goodwill balances. These balances are material to the financial statements, with goodwill carrying value of \$675m (2023 : \$594m), and intangibles carrying value of \$82m (2023: \$104m). The valuation of goodwill and other intangible assets is significant to our audit due to the fact that the impairment test calculations are based on several key assumptions which are estimated by management and are by nature judgemental. Key assumptions include the expected future cash flows for the forecasting period, the discount rates and perpetual growth rate.

The Directors have concluded that there are eight cash generating units (“CGU’s”) in the group, for the purposes of impairment assessment.

Related Disclosures and Significant Judgements

Refer to note 2 of the accompanying consolidated financial statements for the accounting policy in relation to business combinations, intangible assets and goodwill. In addition, note 3 outlines the key accounting judgements related to Goodwill while detailed disclosures have been made in relation to the current year business combinations in note 26 to the financial statements. Detailed disclosures are made in note 11 relating to goodwill and intangible assets.

Audit Response

We have reviewed the Director’s assessment of the carrying value of goodwill and intangible assets. We have challenged the Directors assumptions in relation to CGU identification, cash flow forecasting, discount rates applied, and future growth rates. Our procedures included;

- We have evaluated that the CGU’s identified are the lowest level at which management monitors goodwill and intangible assets,
- We have reviewed the accuracy of the cash flow forecasts used, and ensured that these represent those which are reviewed by the Board,
- We have reviewed and assessed the accuracy of the historical forecasts prepared by the Group,
- We have assessed the key estimates and inputs into the discounted cash flow models, and tested these where possible to supporting evidence such as post year end activities,
- We used our in-house valuation experts in assessing managements calculation of the discount rate. Our experts developed a range of discount rates using observable inputs from independent external sources.
- We have completed sensitivity analyses in relation to the cash flow models and have stress tested all key assumptions used, and
- We have considered the appropriateness of the disclosures and accounting policies relating to the valuation of goodwill and intangible assets in the financial statements.
-

Our application of materiality

We define materiality as the magnitude of misstatement, including omissions, in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable person taken on the basis of the financial statements. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality and performance materiality for the financial statements as a whole as follows:

For the purpose of our audit, we used overall materiality of \$3.5m, which represents approximately 4% of adjusted income before tax in the year. Performance materiality for the financial statements as a whole was set at \$2.8m.

We applied these thresholds, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole. We chose income before tax as the benchmark because, on our view, we consider it to be the most significant determinant of the group’s financial performance used by shareholders and other users and therefore consider this as an appropriate basis for materiality. Our materiality is slightly lower than the level we set for the year ended due to the lower profits of the group.

We assessed the parent company’s materiality using a percentage of net assets as the most appropriate benchmark as the parent company is an investment holding Company. However, we capped this same level as the group materiality.

Whilst materiality for the financial statements as a whole was \$3.5m, each component of the group was audited to a lower level of materiality within a range from \$1.9m to \$2.1m. Audits of these components were performed at a materiality level calculated by reference to a proportion of group materiality appropriate to the relative scale of the business concerned.

We agreed with the Audit Committee that we would report to the Committee all individual differences identified during the course of our audit in excess of \$175,000 (2023: \$200,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit report

In the current year our audit scoping reflects the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the group’s system of internal control at the entity level and the existence of centralised processes.

Based on our ISA (UK) 600 (Revised) assessment, we have completed audit procedures across the entire group to for all significant group related risks. We have identified seven components based on Geographical location and finance functions. The following entities were included in the components were the following entities: Keywords Studios Limited, Keywords International Limited, Keywords Studios QC Games, Keywords Studios QC-Interactive Inc, Keywords Canada Holdings Inc, VMC Embedded Services, Tantalus Media Pty Limited, High Voltage Software Inc, D3T Limited, Climax Studios Limited and Forgotten Empires LLC, Keywords Manila, Digital Media Management Inc, Electric Square, The Multiplayer Group Ltd, Studio Gobo.

At the parent company level, we have also tested the consolidation process and carried out additional procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Strategic Report and the directors' report is consistent with the financial statements; and
- the Strategic Report and the directors' report has been prepared in accordance with the Companies Act 2006.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company statement of financial position in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, those charged with governance and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to: – Detecting and responding to the risks of fraud; and – Internal controls established to mitigate risks related to fraud.
 - Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
 - Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
 - Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Our procedures in respect of fraud have included but are not limited to;

- Assess the design and implementation of controls related to journal entry process to ensure that they are appropriately designed to mitigate risks.
- Perform a walkthrough of the journal entry process to evaluate the effectiveness of controls, ensuring they function as intended and are capable of preventing or detecting fraudulent activities.
- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation; Assessing significant estimates made by management for bias;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- testing of revenue recognition, including the testing for existence, cut-off and the testing of journal entries specifically related to revenue (as a response to the fraud risk raised in respect of improper revenue recognition and;
- Detailed testing of other key areas of estimation uncertainty or judgement, for example; acquisition accounting, valuation of goodwill and intangible assets, as set out in our Key Audit Matters Section.

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

Our 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.

Stephen McCallion

Stephen McCallion (Senior Statutory Auditor)

For and on behalf of BDO,
Statutory Audit Firm
Dublin 2, Ireland

Date: **12/06/2025**

Consolidated Income Statement for the Year Ended 31 December 2024

	Note	2024 \$ 000	2023 Re-presented (note 2) \$ 000
Revenue	4	879,237	842,609
Cost of sales	5	<u>(580,498)</u>	<u>(519,696)</u>
Gross profit		298,739	322,913
Exceptional items	5	(70,300)	(29,424)
Share-based payments expense	23	(55,620)	(23,743)
Amortisation of intangibles	11	(26,960)	(28,150)
Other administrative expenses		<u>(196,278)</u>	<u>(192,339)</u>
Administrative expenses		<u>(349,158)</u>	<u>(273,656)</u>
Operating (loss)/profit		(50,419)	49,257
Financing income	6	2,992	666
Financing cost	6	<u>(18,311)</u>	<u>(13,453)</u>
(Loss)/profit before tax		(65,738)	36,470
Income tax credit/(expense)	10	<u>8,802</u>	<u>(16,226)</u>
(Loss)/profit for the year		<u>(56,936)</u>	<u>20,244</u>
(Loss)/profit attributable to: Owners of the Company		<u>(56,936)</u>	<u>20,244</u>

The above results were derived from continuing operations.

The notes on pages 26 to 59 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024

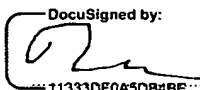
	Note	2024 \$ 000	2023 Re-presented (note 2) \$ 000
(Loss)/profit for the year		<u>(56,936)</u>	<u>20,244</u>
Items that will not be reclassified subsequently to profit or loss			
Actuarial (loss)/gain on defined benefit plans		(325)	17
Items that may be reclassified subsequently to profit or loss			
(Loss)/gain on hedge of investments in foreign operations		(7,383)	6,116
Exchange (loss)/gain in net investment in foreign operations		(15,418)	4,026
Tax related to items taken to other comprehensive income	10	<u>2,297</u>	<u>1,337</u>
		<u>(20,504)</u>	<u>11,479</u>
Total comprehensive (loss)/income for the year		<u>(77,765)</u>	<u>31,740</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		<u>(77,765)</u>	<u>31,740</u>

The notes on pages 26 to 59 form an integral part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2024

	Note	2024 \$ 000	2023 Re-presented (note 2) \$ 000
Non-current assets			
Intangible assets	11	756,219	697,772
Right of use assets	12	45,271	46,362
Property, plant and equipment	13	60,060	55,458
Deferred tax assets	21	66,068	36,155
Investments	14	193	193
		<u>927,811</u>	<u>835,940</u>
Current assets			
Cash and cash equivalents		49,685	66,083
Trade receivables	15	96,243	99,275
Other receivables	16	99,114	91,992
Income tax asset		7,051	6,614
		<u>252,093</u>	<u>263,964</u>
Current liabilities			
Trade payables		18,762	15,780
Other payables	17	360,155	172,168
Corporation tax liabilities		31,739	29,895
Lease liabilities	19	17,106	15,302
		<u>427,762</u>	<u>233,145</u>
Net current (liabilities) / assets		<u>(175,669)</u>	<u>30,819</u>
Non-current liabilities			
Other payables	17	38,207	13,251
Employee defined benefit plans	20	4,851	4,448
Loans and borrowings	18	-	140,618
Deferred tax liabilities	21	16,642	11,378
Lease liabilities	19	34,285	36,549
		<u>93,985</u>	<u>206,244</u>
Net assets		<u>658,157</u>	<u>660,515</u>
Equity			
Share capital	22	1,099	1,155
Share capital - to be issued	22	-	349
Share premium	22	74,419	64,956
Merger reserve	22	347,512	352,504
Foreign exchange reserve		(32,689)	(31,180)
Shares held in Employee Benefit Trust (EBT)	24	-	(7,251)
Share-based payments reserve		-	90,005
Retained earnings		267,816	189,977
Total equity		<u>658,157</u>	<u>660,515</u>

Approved by the Board on 11 June 2025 and signed on its behalf by:

DocuSigned by:

 11333DF0A5DB4BE.....
 Jon Hauck
 Director

Signed by:

 826358F9688C406.....
 Rob Kingston
 Director

The notes on pages 26 to 59 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital \$ 000	Share capital - to be issued \$ 000	Share premium \$ 000	Merger reserve \$ 000	Foreign exchange reserve \$ 000	Shares held in EBT \$ 000	Share-based payments reserve \$ 000	Retained earnings \$ 000	Total \$ 000
At 01 January 2023 (Re-presented) (note 2)	1,139	2,497	56,832	330,788	(41,322)	-	73,786	170,690	594,410
Profit for the year	-	-	-	-	-	-	-	20,244	20,244
Other comprehensive income	-	-	-	-	10,142	-	-	1,354	11,496
Total comprehensive income	-	-	-	-	10,142	-	-	21,598	31,740
Dividends	-	-	-	-	-	-	-	(2,311)	(2,311)
Cash proceeds arising from share-based payments	6	-	1,577	-	-	-	1,193	-	2,776
Share-based payments expense	-	-	-	-	-	-	23,743	-	23,743
Acquisition-related issuance of shares	10	(2,148)	6,547	21,716	-	-	-	-	26,125
Company funded acquisition of shares	-	-	-	-	-	(7,251)	(8,717)	-	(15,968)
At 31 December 2023 (Re-presented) (note 2)	1,155	349	64,956	352,504	(31,180)	(7,251)	90,005	189,977	660,515

The notes on pages 26 to 59 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024 (continued)

	Share capital \$ 000	Share capital - to be issued \$ 000	Share premium \$ 000	Merger reserve \$ 000	Foreign exchange reserve \$ 000	Shares held in EBT \$ 000	Share-based payments reserve \$ 000	Retained earnings \$ 000	Total \$ 000
At 31 December 2023 (As re-presented) (note 2)	1,155	349	64,956	352,504	(31,180)	(7,251)	90,005	189,977	660,515
Change in functional currency (of the Company)	(119)	5	(4,771)	(14,922)	21,292	(227)	(1,258)	-	-
At 01 January 2024 (As re-presented) (note 2)	1,036	354	60,185	337,582	(9,888)	(7,478)	88,747	189,977	660,515
Loss for the year	-	-	-	-	-	-	-	(56,936)	(56,936)
Other comprehensive income	-	-	-	-	(22,801)	-	-	1,972	(20,829)
Total comprehensive income	-	-	-	-	(22,801)	-	-	(54,964)	(77,765)
Dividends	-	-	-	-	-	-	-	(1,737)	(1,737)
Cash proceeds arising from share-based payments	57	-	14,234	-	-	-	3,092	-	17,383
Share-based payments expense	-	-	-	-	-	-	55,620	-	55,620
Acquisition-related issuance of shares	6	(354)	-	9,930	-	-	-	-	9,582
Company funded acquisition of shares	-	-	-	-	-	7,478	(12,919)	-	(5,441)
Transfer between reserves	-	-	-	-	-	-	(134,540)	134,540	-
At 31 December 2024	1,099	-	74,419	347,512	(32,689)	-	-	267,816	658,157

The notes on pages 26 to 59 form an integral part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	Note	2024 \$ 000	2023 Re-presented (note 2) \$ 000
Cash flows from operating activities			
(Loss)/profit for the year		(56,936)	20,244
Income and expenses not affecting operating cash flows			
Depreciation and impairment - property, plant and equipment	13	28,469	31,227
Depreciation and impairment - right of use assets	12	18,901	17,205
Amortisation of intangibles	11	26,960	28,150
Taxation	10	(8,802)	16,226
Share-based payments expense		55,620	23,743
Fair value movements in deferred and contingent consideration	5	(2,757)	9,945
Non-cash movements included in exceptional items		34,029	2,899
Unwinding of discounted liabilities - deferred consideration	6	3,128	3,543
Unwinding of discounted liabilities - lease liabilities	6	1,832	1,562
Interest receivable	6	(1,090)	(666)
Fair value adjustment to employee defined benefit plans		727	1,243
Interest expense	6	12,443	6,235
Unrealised foreign exchange (gain) / loss		(7,204)	(1,092)
		<u>162,256</u>	<u>140,220</u>
Changes in operating assets and liabilities			
Decrease/(increase) in trade receivables		5,589	(228)
Increase in MMTC and VGTR receivable		(1,304)	(12,159)
Increase in other receivables		(8,991)	(7,672)
(Decrease)/increase in accruals, trade and other payables		(25,188)	8,206
		(29,894)	(11,853)
Income taxes paid		(12,878)	(22,645)
Settlement of deferred and contingent consideration related to continuous employment	17	(2,367)	(4,222)
Net cash generated by operating activities		<u>60,181</u>	<u>121,744</u>
Cash flows from investing activities			
Current year acquisition of subsidiaries net of cash acquired	26	(46,570)	(174,479)
Settlement of deferred liabilities on acquisitions	17	(29,851)	(33,020)
Acquisitions of property plant and equipment	13	(32,273)	(33,204)
Acquisition of intangible assets	11	(5,996)	(3,305)
Interest received	6	1,090	666
Net cash flows from investing activities		<u>(113,600)</u>	<u>(243,342)</u>
Cash flows from financing activities			
Cash proceeds, where EBT shares were utilised for the exercise of share-based payments		3,092	1,193
Repayment of bank borrowing	18	(329,390)	(105,176)
Proceeds from bank borrowing draw downs	18	186,713	244,804
Loan from Bidco to repay external borrowings	17	199,384	-
Payments of principal on lease liabilities	19	(16,280)	(16,476)
Interest paid on principal on lease liabilities	19	(1,832)	(1,562)
Company funded acquisition of shares by EBT		(5,441)	(15,968)
Shares issued for cash		14,291	1,583
Dividends paid		(1,737)	(2,311)
Interest paid		(10,092)	(6,796)
Net cash flows from financing activities		<u>38,708</u>	<u>99,291</u>
Net decrease in cash and cash equivalents		(14,711)	(22,307)
Cash and cash equivalents at 01 January		66,083	87,339
Exchange gain / (loss) on cash and cash equivalents		(1,687)	1,051
Cash and cash equivalents at 31 December		<u>49,685</u>	<u>66,083</u>

The notes on pages 26 to 59 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024

1 General information

Keywords Studios Limited (the "Company") is a company incorporated in the United Kingdom. The address of its registered office is 4th Floor, 110 High Holborn, London, WC1V 6JS, United Kingdom. These financial statements were authorised for issue by the Board on 11 June 2025.

2 Accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards, and in conformity with the requirements of the Companies Act 2006.

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group"), made up to 31 December 2024.

The financial statements are prepared in thousands (000) and presented in US dollars (\$), which is the functional currency of the Company.

Changes in functional and presentation currency

The Group decided to change its presentation currency to US dollars with effect from 01 January 2024. Given the current composition of the Group's activities, this change is expected to reduce the impact of currency movements on reported results. In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, a change in presentation currency is applied retrospectively.

In accordance with the provisions of IAS 21, the Effects of Changes in Foreign Exchange Rates, in respect of changes in presentation currency, financial information has been restated from Euro to US dollars as follows:

- assets and liabilities in non-US denominated currencies were translated into US dollars at the rates of exchange ruling at the relevant balance sheet date;
- non-US dollar income statements and cash flows were translated into US dollars at average rates of exchange for the relevant period;
- share capital, share premium and all other equity items were translated at the historical rates prevailing at 01 January 2013, the date of transition to IFRS, or the subsequent rates prevailing on the date of each relevant transaction; and
- the cumulative foreign exchange translation reserve was set to zero on 01 January 2013, the date of transition to IFRS and this reserve has been restated on the basis that the Group has reported in US dollars since that date.

On 01 January 2024, the functional currency of the Company was changed from Euro to US dollars, a change which is applied prospectively.

Going concern

After making enquiries, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the Consolidated and Company financial statements. In doing so the Directors have considered the following:

- The cash position of the Group;
- The continued demand for the Group's services;
- The historical resilience of the broader video games industry in times of economic downturn; and
- The ability of the Group to flex its cost base in response to a reduction in trading activity.

The Directors have prepared cash flow forecasts and have applied downside sensitivities to the Group's cash flow projections which indicate that the Group will be able to remain within its banking covenants and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

The Directors have received a confirmation from Houting UK Limited that it will not seek repayment of any intercompany loans if such repayment would result in the Company being unable to meet its liabilities as and when they fall due, for a period of at least twelve months from the date of approval of these financial statements. For this reason, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

New Standards, Interpretations and Amendments effective 01 January 2024

The following amendments are effective for the period beginning 01 January 2024:

- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16); and
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current, with Covenants).

The Group does not expect these amendments, or any other standards issued by the IASB but not yet effective, to have a material impact on the Group.

New Standards, Interpretations and Amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendment is effective for the period beginning 01 January 2025:

- Lack of Exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates)

The Group does not expect this amendment, or any other standards issued by the IASB but not yet effective, to have a material impact on the Group.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

2 Accounting policies (continued)

Basis of consolidation

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

De facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de facto control exists, the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and by other parties;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are eliminated in full.

Business combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. The results of acquired operations are included in the consolidated financial statements from the date on which control is obtained. They are consolidated until the date on which control ceases. In the Consolidated statement of financial position, the acquired identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the valuation of the fair value of assets and liabilities acquired is still in progress. Those provisional amounts are adjusted when additional information is obtained about facts and circumstances which would have affected the amounts recognised as of that date, and any adjustments to the provisional values allocated to the consideration, identifiable assets or liabilities (and contingent liabilities, if relevant) are made within the measurement period, a period of no more than one year from the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date and is split between current liabilities and long term liabilities depending on when it is due. In general, in order for contingent consideration to become payable, pre-defined profit and/or revenue targets must be exceeded. The fair value of contingent consideration at acquisition date is arrived at through discounting the expected payment (based on scenario modelling) to present value. Where contingent consideration is dependent on the recipient remaining in employment, the payment is accounted for as post-acquisition remuneration accrued over the retention period, as required under IFRS 3. At each balance sheet date, the fair value of the contingent consideration liabilities are revalued, with the expected pay-out determined separately in respect of each individual acquisition and any change recognised in the statement of comprehensive income. For deferred consideration which is to be provided for by the issue of a fixed number of shares at a future defined date, where there is no obligation on Keywords to offer a variable number of shares, the deferred consideration is classified as an equity arrangement and the value of the shares is fixed at the date of the acquisition.

Acquisition-related costs are recognised immediately as an expense in the periods in which the costs are incurred and the services are received.

Foreign currency

The consolidated financial statements are presented in US dollars, which is the presentation currency of the Group and the functional currency of the Parent Company.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

On consolidation, the results of overseas operations are translated into US dollars at rates approximating when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in profit or loss in Group entities' separate financial statements on the translation of long-term items forming part of the Group's net investment in the overseas operation concerned are classified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

Revenue from contracts with customers

Contracts are typically for services, performing agreed-upon tasks for a customer and can be time-and-materials or milestone-based. Most contracts are short term in duration (generally less than one month); however, milestone-based contracts can be longer term and extend to several months (or in some cases over a year). Where there are multiple performance obligations outlined in a contract, each performance obligation is separately assessed, the transaction price is allocated to each obligation, and related revenues are recognised as services or assets are transferred to the customer. Performance obligations are typically satisfied over time, as the majority of contracts meet the criteria outlined in IFRS 15 paragraph 35 (a) and (c).

Due to the nature of the services provided and the competitive nature of the market, contracts generally allocate specific transaction prices to separate performance obligations. Individual services or individual milestones generally involve extensive commercial negotiation to arrive at the specific agreed-upon tasks, and the related pricing outlined in the contract. Such negotiations extend further for milestone-based contracts to also include the criteria involved in the periodic and regular process of milestone acceptance by the customer. Such criteria may involve qualitative, as well as quantitative, measures and judgements.

In measuring progress towards complete satisfaction of performance obligations, the input method is considered to be the most appropriate method to depict the underlying nature of the contracts with customers, the interactive way the service is delivered, and projects are managed with the customer. For time and materials contracts, other than tracking and valuing time expended, significant judgement is not normally involved. For milestone-based contracts, progress is generally measured based on the proportion of contract costs incurred at the balance sheet date (e.g. worked days), relative to the total estimated costs of the contract, involving estimates of the cost to completion etc. Added to this, significant judgement can be involved in measuring progress towards customer acceptance of the milestone. Significant judgement may also be involved where circumstances arise that may change the original estimates of revenues, costs or extent of progress towards complete satisfaction of the performance obligations. In such circumstances estimates are revised. These revisions may result in increases or decreases in revenue or costs and are reflected in income in the period in which the circumstances that give rise to the revision became known. When the outcome of a contract cannot be measured reliably, contract revenue is recognised only to the extent that milestones have been accepted by the customer. Contract costs are recognised as incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

2 Accounting policies (continued)

Revenue recognised represents the consideration received or receivable, net of sales taxes, rebates discounts and after eliminating intercompany sales. Revenue is recognised only where it is probable that consideration will be received. Where consideration is received and the related revenue has not been recognised, the consideration received is recognised as a contract liability (Deferred Revenue), until either revenue is recognised or the consideration is refunded. Revenue is derived from eight main service lines:

Game Development

Game Development relates to software engineering services which are integrated with client processes to develop video games. Contracts can be either time-and-materials based or milestone-based, with performance obligations satisfied over time. Contracts are generally longer term in duration. Time-and-materials based contract revenue is recognised as the related services are rendered. For milestone-based contracts where progress can be measured reliably towards complete satisfaction of the performance obligation, revenue is recognised using the input method to measure progress. Where progress cannot be measured reliably, revenue is recognised on milestone acceptance.

Art Services

Art Services relate to the production of graphical art assets for inclusion in the video game, including concept art creation along with 2D and 3D art asset production and animation. Contracts can be either time-and-materials based or milestone-based, with performance obligations satisfied over time. Contracts are generally short term in duration; however, for longer contracts the input method is used to measure progress (e.g. worked days relative to the total expected inputs). Time-and-materials based contract revenue is recognised as the related services are rendered. For milestone-based contracts where progress can be measured reliably towards complete satisfaction of the performance obligation, revenue is recognised using the input method to measure progress. Where progress cannot be measured reliably, revenue is recognised on milestone acceptance.

Functional Testing

Functional Testing relates to quality assurance services provided to game producers to ensure games function as required. Contracts are typically time-and-materials based and performance obligations are satisfied over time. Contracts are generally short term in duration. Revenue is recognised as the related services are rendered.

Localization Testing

Localization Testing involves testing the linguistic correctness and cultural acceptability of computer games. Contracts are typically time-and-materials based and performance obligations are satisfied over time. Contracts are generally short term in duration. Revenue is recognised as the related services are rendered.

Audio

Audio services relate to the audio production process for computer games and includes script translation, actor selection and talent management through pre-production, audio direction, recording, and post-production, including native language quality assurance of the recordings. Audio contracts may also involve music licensing or selling music soundtracks. Audio service contracts are typically milestone-based, with performance obligations satisfied over time. Audio services contracts are generally short term in duration; however, for longer contracts where progress towards complete satisfaction of the performance obligation can be measured reliably, revenue is recognised using the input method to measure progress. Where progress cannot be measured reliably, audio services revenue is recognised on milestone acceptance. Music licensing and music soundtracks performance obligations are assessed separately, and related revenue is recognised on licence inception and on delivery of the soundtracks, respectively.

Localization

Localization services relate to translation and cultural adaptation of in-game text and audio scripts across multiple game platforms and genres. Contracts are typically time-and-materials based and performance obligations are satisfied over time. Contracts are generally short term in duration; however, for longer contracts the input method is used to measure progress. Localization contracts may also involve licensing translation software as a service. Such revenue is assessed separately. Revenue is recognised as the related services are rendered.

Marketing

Marketing services include game trailers, marketing art and materials, PR and full brand campaign strategies. Contracts can be either time-and-materials based or milestone-based, with performance obligations satisfied over time. Contracts are generally short term in duration; however, for longer contracts the input method is used to measure progress. Time-and-materials based contract revenue is recognised as the related services are rendered. For milestone-based contracts where progress can be measured reliably towards complete satisfaction of the performance obligation, revenue is recognised using the input method to measure progress. Where progress cannot be measured reliably, revenue is recognised on milestone acceptance.

Player Engagement

Player Engagement relates to the live operations support services such as community management, player engagement and associated services provided to producers of games to ensure that consumers have a positive user experience. Contracts are typically time-and-materials based and performance obligations are satisfied over time. Contracts are generally long term in duration. Player Engagement contracts may also involve digital support platform software as a service. Revenue is recognised as the related services are rendered.

Income taxes and deferred taxes

Provision for income taxes is calculated in accordance with the tax legislations and applicable tax rates in force at the reporting date in the countries in which the Group companies have been incorporated.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

2 Accounting policies (continued)

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group company; or
- Different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities associated with leases and decommissioning liabilities are recognised on a gross basis, in accordance with IAS 12.

Property, plant and equipment

Property, plant and equipment comprise computers, leasehold improvements, and office furniture and equipment, and are stated at cost less accumulated depreciation. Carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Property, plant and equipment acquired through business combinations are valued at fair value on the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the Consolidated statement of comprehensive income.

Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Asset class	Depreciation method and rate
Computers and software	3 - 5 years
Office furniture and equipment	10 years
Leasehold improvements	over the length of the lease

Intangible assets

The Group's Intangible Assets comprise Goodwill, Customer Relationships and Other Intangible Assets.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. The cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included at fair value on the acquisition date and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through the profit and loss. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated statement of comprehensive income.

Customer relationships

Intangible assets, separately identified from goodwill acquired as part of a business combination (mainly Customer Relationships), are initially stated at fair value. The fair value attributed is determined by discounting the expected future cash flows generated from the net margin of the business from the main customers taken on at acquisition. The assets are amortised on a straight-line basis (to administration expenses) over their useful economic lives (typically five years is deemed appropriate, however, this is re-examined for each acquisition).

Other intangible assets

Other intangible assets include Intellectual Property and Music Licences, both acquired and internally developed. Other intangible assets are recognised once they meet the criteria under IAS 38, and are amortised on a straight-line basis over the period of its expected benefit, starting from the date of full commercial use of the product. Residual amounts, useful lives and the amortisation methods are reviewed at the end of every accounting period.

Following initial recognition of development expenditure as an intangible asset, the cost model is applied requiring the intangible asset to be carried at cost, less any accumulated amortisation and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. If specific events indicate that impairment of an item of intangible asset may have taken place, the item's recoverability is assessed by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of the fair value net of disposal costs and the value in use.

Impairment

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held on call with banks and other short-term highly liquid investments. Where cash is on deposit with maturity dates greater than three months, it is disclosed as short-term investments.

Trade receivables

Trade receivables, which principally represent amounts due from customers, are recognised at amortised cost as they meet the IFRS 9 classification test of being held to collect, and the cash flow characteristics represent solely payments of principal and interest. The Group's impairment methodology is in line with the requirements of IFRS 9. The simplified approach to providing for expected credit losses has been applied to trade receivables, which requires the use of a lifetime expected loss provision.

Financial assets

The Group's most significant financial assets comprise trade and other receivables and cash and cash equivalents in the Consolidated statement of financial position, whereas the Company's most significant financial assets comprise inter-group receivables.

Multimedia Tax Credits/Video Games Tax Relief and other tax credits related to staff costs

The multimedia tax credits ("MMTC") received in Canada, and video games tax relief in the UK together with similar reliefs in other jurisdictions ("VGTR"), are tax credits related to staff costs. Tax credits are recognised as income over the periods necessary to match the credit on a systematic basis with the costs that it is intended to compensate. Thus, credits are taken as a deduction against direct costs each period, but typically paid in the following financial year once the claims have been submitted and agreed. The nature of the grants is such that they are not dependent on taxable profits, and are recognised (under IAS 20), at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Share-based payments

The Company issues equity-settled share-based payments to certain employees and Directors under a Share Option Scheme and a Long-Term Incentive Plan ("LTIP"). Conditional awards under the rules of the LTIP Plan ("Salary Shares") are also issued to certain employees and Directors.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period. Other than continuous service, grants do not have non-market-based vesting conditions. At each reporting date the Company adjusts for unvested forfeitures and the impact is recognised in profit or loss, with a corresponding adjustment to equity reserves. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Additional employer costs, including social security taxes, in respect of options and awards are expensed over the vesting period with a corresponding liability recognised. The liability recognised depends on the number of options that are expected to be exercised, and the liability is adjusted by reference to the fair value of the options at the end of each reporting period.

Where share-based payments are issued to employees of subsidiary companies, the annual cost of the options are recharged to the subsidiary company through an inter-company recharge.

Share option plan

These are measured at fair value on the grant date using a Black-Scholes option pricing model which calculates the fair value of an option by using the vesting period, the expected volatility of the share price, the current share price, the exercise price and the risk-free interest rate. The fair value of the option is amortised over the vesting period, with one-third of the options vesting after two years, one-third after three years, and the balance vesting after four years. The only vesting condition is continuous service. There is no requirement to revalue the option at any subsequent date.

LTIP

The exercise of LTIP awards is subject to certain vesting conditions. For the awards granted up to 2015, one-third of the share options vested if the Company exceeded the Total Shareholder Returns ("TSR") of the Numis Small Cap Index (excluding Investment Trusts) by 10%, two-thirds if the TSR exceeded the Index by 20% and full vesting if the TSR exceeded the Index by 30%. This was amended for the 2016 and 2017 awards to 100% vesting if the shareholder return exceeds the Index by 45%, and a prorated return between 10% if the TSR matches the Index, to 100% if the TSR exceeds the Index by 45%. The scheme was further amended in 2018 to 100% vesting if the TSR exceeds the Index by 20%, and a prorated return between 10% and 100% if the TSR exceeds the Index by between 0% and 20%. In 2019, the benchmark Index was amended for future grants to be the FTSE Small Cap Index, with the same performance conditions as 2018. In 2021, the benchmark Index was amended to be the FTSE 250 Index (excluding investment trusts), and threshold vesting (25% of the award) will be earned for TSR in line with the Index and full vesting will be earned for exceeding the Index TSR by 20% over the performance period. A prorated return will be earned between 25% and 100% if the TSR exceeds the Index by between 0% and 20%.

These are measured at fair value, taking into account market vesting conditions but not non-market vesting conditions, at the date of grant, measured by using the Monte Carlo binomial model.

Salary shares

Salary shares are measured at fair value on the grant date. As the only vesting condition is continuous service, the fair value of the shares is amortised over the vesting period.

Accrued income from contracts with customers

Other receivables include Accrued income from contracts with customers. The Group also applies the simplified approach to assessing expected credit losses in relation to such assets, as their maturities are less than twelve months.

Financial liabilities

Trade payables, bank borrowings and other monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Employee Benefit Trust

Ordinary shares purchased by the Employee Benefit Trust on behalf of the parent company under the Terms of the Share Option Plan are deducted from equity on the face of the Consolidated statement of financial position. No gain or loss is recognised in relation to the purchase, sale, issue or cancellation of the parent company's ordinary shares. Where such shares are utilised for employee share schemes, the cost of the shares is transferred to the Share-based payment reserve, with any cash proceeds credited directly to the Share-based payment reserve.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

2 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leased assets

A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”.

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

The Group depreciates the right of use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the Group's incremental borrowing rate.

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

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

The Group has applied judgement to determine the lease term for contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the lease liabilities and right of use assets recognised.

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgements

The judgements, apart from those involving estimations, that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements, are outlined below.

Group

Functional and presentation currency

The Directors have considered the requirements of IAS 21 in determining the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions to determine the functional currency of the Company. Detailed consideration has been given to both the Primary and Secondary Indicators in forming this conclusion. The Primary Indicators relate to revenues, regulation, competitive forces and costs, while the Secondary Indicators are mainly concerned with financing the business and the currency in which receipts from operating activities are usually retained. The Directors have determined the US Dollar as the most appropriate presentation currency of the consolidated financial statements.

Business combinations (Customer relationships)

When acquiring a business, the Group is required to identify and recognise intangible assets, the determination of which requires a significant degree of judgement. Acquisitions may also result in intangible benefits being brought into the Group, some of which qualify for recognition as intangible assets while other such benefits do not meet the recognition requirements of IFRS and therefore form part of goodwill. Customer relationships are recognised as separate assets where revenues are recurring in nature and material revenues have been generated with the customer for a continuous period of three years. For the Game Development service line, the key asset acquired is typically "know-how", an asset that is not readily measurable and thus intrinsically linked to goodwill. Relationships are typically fixed term contract based rather than relationship based. Therefore, neither customer contracts nor customer relationships are typically recognised on the acquisition of a Game Development business.

IFRS 16 leases

The Group has determined that the Group's incremental borrowing rate is the appropriate rate to use to discount lease liabilities. The Group has applied judgement to determine the lease term for contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the lease liabilities and right of use assets recognised.

Business combinations (put and call options over Non-controlling interest)

The Group acquired an 85% interest in Tantalus in March 2021, with the sellers retaining a minority shareholding. The shareholder agreement (signed with the purchase agreement) includes put and call options ("the Forward") that require the sellers to sell, or require the Group to buy, the remaining 15% shareholding after three years using a pre-determined valuation methodology linked to post-acquisition performance. IFRS 3 does not provide specific guidance on how such contracts should be accounted for in a business combination. The Board determined, taking into consideration all the contracts' terms and conditions, that the impact of the Forward put the Group in a similar position as if the Group had acquired a 100% interest in the subsidiary on the acquisition date, with deferred contingent consideration payable at a future date. In doing so, the Board considered whether the risks and rewards of ownership reside with the Non-controlling interest or had effectively transferred to the Group, and concluded that the Non-controlling interest arising on the acquisition had been extinguished by a combination of the Forward and other conditions in the agreements. Therefore, the Group has accounted for the acquisition as if a 100% interest was acquired on acquisition, accounting for the initial investment and the Forward as a single linked transaction in which 100% control is gained, with the Forward recognised at fair value, as a financial liability within Deferred and contingent consideration (note 17), and no Non-controlling interest recognised on the acquisition. Any subsequent remeasurement required due to changes in the fair value of the liability are recognised in the Consolidated statement of comprehensive income. During the year, the Group executed the put and call option relating to this entity and now owns 100% of the company.

Goodwill

Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicating potential impairment exist. The Group uses the present value of future cash flows to determine recoverable amounts. In calculating the value in use, significant judgement and estimation is required in forecasting cash flows of CGUs, in determining terminal growth values and in selecting an appropriate discount rate.

Estimates and assumptions

A number of areas requiring the use of estimates and critical judgements impact the Group's earnings and financial position. These include revenue recognition, the computation of income taxes, the value of goodwill and intangible assets arising on acquisitions, the valuation of multimedia tax credits / video games tax relief, leasing and the valuation of defined retirement benefits. The Directors consider that no reasonably possible changes to any of the assumptions used in the estimates would in the view of the Directors give rise to significant risk of a material adjustment to the carrying value of the associated balances in the subsequent financial year.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

4 Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2024	2023
	\$ 000	\$ 000
Revenue from external customers		
Create	409,781	362,960
Globalize	273,722	301,628
Engage	<u>195,734</u>	<u>178,021</u>
	<u><u>879,237</u></u>	<u><u>842,609</u></u>
	2024	2023
	\$ 000	\$ 000
Segment operating profit		
Create	82,072	101,484
Globalize	42,087	51,709
Engage	<u>20,723</u>	<u>16,591</u>
	<u><u>144,882</u></u>	<u><u>169,784</u></u>
	2024	2023
	\$ 000	\$ 000
Reconciliation of Segment operating profit		
Adjusted EBITDA*	144,882	169,784
Share-based payments expense	(55,620)	(23,743)
Exceptional items	(70,300)	(29,424)
Amortisation of intangibles	(26,960)	(28,150)
Depreciation - property, plant and equipment	(27,588)	(24,996)
Depreciation - right of use assets	(15,741)	(14,995)
Bank charges	<u>908</u>	<u>781</u>
Operating (loss)/profit	(50,419)	49,257
Finance income	2,992	666
Finance costs	<u>(18,311)</u>	<u>(13,453)</u>
(Loss)/profit before taxation	<u><u>(65,738)</u></u>	<u><u>36,470</u></u>

*Adjusted EBITDA is a non-GAAP measure under IFRS. Adjusted EBITDA comprises Operating (loss)/profit as reported in the Consolidated statement of comprehensive income, adjusted for share-based payments expense, exceptional items, amortisation of intangible assets, depreciation and impairment and deducting bank charges.

The Group is organised into three operating segments (as identified under IFRS 8 Operating Segments), and generates revenue across eight service lines under three divisions:

- Create — Game Development and Art Services;
- Globalize — Functional Testing, Localization Testing, Audio and Localization; and
- Engage — Marketing and Player Engagement.

Operating segments are reported in a manner consistent with the internal organisational and management structure, and the internal reporting information provided to the Chief Operating Decision Maker ("CODM") who is responsible for allocating resources and assessing performance of the operating segments. The CODM has been identified as the executive management team made up of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. Inter-segment revenue is not material and thus not subject to separate disclosure.

Revenue from Contracts with Customers

Revenue recognised in the reporting period arises from contracts with customers, and is predominantly recognised over time. There were no significant amounts of revenue recognised in the reporting period that were included in a contract liability balance at the beginning of the reporting period, or from performance obligations satisfied in the previous reporting period.

For many contracts, operations are completed across multiple sites. Analysis of revenues by geographical regions is presented by production location, which may not reflect the jurisdiction from which the final invoice to the client is raised, or the region of the Group's customers, whose locations are worldwide. One customer was above 10% of revenues in 2024, accounting for 21.3% of total revenue (2023: 19.1%), with revenues spread across all divisions and service lines. The increase in concentration has been primarily due to the customer's acquisition activity over the past year.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

4 Revenue (continued)

	2024	2023
	\$ 000	\$ 000
Geographical analysis of revenues, by production location*		
United Kingdom	205,917	140,417
United States	185,307	188,514
Canada	148,969	170,854
Poland	42,833	44,267
Italy	36,237	36,843
India	33,835	30,102
Philippines	32,517	22,239
China	32,039	31,386
Australia	29,734	37,179
Japan	18,283	22,936
Other	113,566	117,872
	<u>879,237</u>	<u>842,609</u>

*The prior year comparatives have been reclassified to align to the current year ranking by production location.

Revenue Expected to be Recognised

For Game Development, games are developed to an agreed specification and time schedule, and often have delivery schedules and/or milestones that extend well into the future. The following are Game Development revenues expected to be recognised for contracts with a schedule of work that extends beyond one year, representing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

	2024	2023
	\$ 000	\$ 000
Scheduled completion within 1 year	27,173	63,709
Scheduled completion 1 - 2 years	1,038	12,085
Scheduled completion 2-5 years	-	501
Total undelivered	<u>28,211</u>	<u>76,295</u>

For all service lines excluding Game Development, contracts do not extend to more than one year, therefore information concerning unsatisfied performance obligations are not disclosed, as allowed under the practical expedient exemption under IFRS 15. This practical expedient is also availed of for Game Development contracts of less than one year in duration

	2024	2023
	\$ 000	\$ 000
Geographical analysis of non-current assets from continuing businesses*		
United States	443,411	378,485
United Kingdom	282,859	241,305
Australia	55,785	55,338
Canada	50,810	53,850
Italy	17,027	17,704
Poland	12,145	16,436
Switzerland	10,443	11,071
China	9,010	10,917
India	8,482	8,445
France	7,096	7,991
Other	30,743	34,398
	<u>927,811</u>	<u>835,940</u>

*The prior year comparatives have been reclassified to align to the current year ranking.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

5 Operating (loss)/profit

	2024	2023
	\$ 000	\$ 000
Cost of sales		
Operating expenses	593,617	538,942
Multimedia tax credits/video games tax relief	(36,329)	(41,347)
Other direct costs	23,210	22,101
	580,498	519,696
Operating (loss)/profit arrived at after charging:		
	2024	2023
	\$ 000	\$ 000
Depreciation - property, plant and equipment	27,588	24,996
Depreciation - right of use assets	15,741	14,995
Amortisation of intangibles	26,960	28,150
Exceptional items	70,300	29,424
Auditor's remuneration	807	969
	807	969
	2024	2023
	\$ 000	\$ 000
Exceptional items		
(a) Cost of acquisition and integration		
Acquisition and integration costs re: current year acquisitions	897	2,533
Fair value adjustments to contingent consideration (note 17)	(7,294)	334
Deferred consideration related to continuous employment	4,537	9,611
Acquisition team and related costs	725	1,113
	(1,135)	13,591
(b) Costs associated with acquisition of the Group		
Transaction and bid costs	33,425	-
Tax on accelerated vesting of shares	7,337	-
Retention and other costs	5,705	-
	46,467	-
(c) Restructuring costs		
Right of use assets impairment	3,160	2,210
Property, plant and equipment impairment	881	6,231
Severance	15,810	4,203
Other restructuring expenses	5,117	3,189
	24,968	15,833
	70,300	29,424
	2024	2023
	\$ 000	\$ 000
Auditor's remuneration		
Audit services		
Parent company and Group audit	430	418
Subsidiary companies' audit	366	539
Non-audit services		
Audit-related assurance services	11	12
	807	969

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

6 Financing income and cost

	2024 \$ 000	2023 \$ 000
Financing income		
Interest income on bank deposits	1,090	666
Foreign exchange gain	1,902	-
	<u>2,992</u>	<u>666</u>
Financing costs		
Bank charges	(908)	(781)
Interest expense	(12,443)	(6,235)
Unwinding of discounted liabilities - lease liabilities	(1,832)	(1,562)
Unwinding of discounted liabilities - deferred consideration	(3,128)	(3,543)
Foreign exchange loss	-	(1,332)
	<u>(18,311)</u>	<u>(13,453)</u>
Net financing cost	<u>(15,319)</u>	<u>(12,787)</u>

7 Dividends

	In respect of	Approval date	\$ cent per share	Pence STG per share	Total dividend \$ 000	Payment date
Final	2022	Mar-23	2.03	1.60	1,561	Jun-23
Interim	2023	Sep-23	<u>1.03</u>	<u>0.85</u>	<u>750</u>	Oct-23
Dividends paid to shareholders 2023			<u>3.06</u>	<u>2.45</u>	<u>2,311</u>	
Final	2023	Mar-24	<u>2.18</u>	<u>1.76</u>	<u>1,737</u>	Jun-24
Dividends paid to shareholders 2024			<u>2.18</u>	<u>1.76</u>	<u>1,737</u>	

The Directors do not propose the payment of a dividend for the year ended 31 December 2024.

At 31 December 2024, Retained earnings available for distribution (being Retained earnings plus Share-based payments reserve) in the Company were \$111.2m (2023: \$105.6m). In addition, certain amounts within Merger reserve are considered distributable (see note 22).

The Group does not recognise deferred tax on unremitted retained earnings, as, in general, retained earnings (as dividends) are only remitted where there are minimal or no tax consequences.

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024 \$ 000	2023 \$ 000
Salaries and related costs	480,514	447,904
Social security costs	48,447	40,999
Pension costs	10,501	8,825
Share-based payments expense	55,620	23,743
	<u>595,082</u>	<u>521,471</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

8 Staff costs (continued)

The average number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Operations	11,748	11,307
General and administration	1,124	1,033
	<u>12,872</u>	<u>12,340</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024 \$ 000	2023 \$ 000
Salaries and related costs	2,938	2,648
Social security costs	3,019	349
Pension costs	37	81
Share-based payments expense	5,856	2,256
	<u>11,850</u>	<u>5,334</u>

10 Income tax

Tax charged/(credited) in the income statement

	2024 \$ 000	2023 \$ 000
Current income tax		
Income tax on profits	15,847	28,843
Deferred tax (note 21)	(24,649)	(12,617)
	<u>(8,802)</u>	<u>16,226</u>

The Group's subsidiaries are located in different jurisdictions and are taxed on their residual profit in these jurisdictions. The effective tax rate will vary year-on-year due to the tax effect of changes in tax rates and changes in proportion of profits in each jurisdiction. The effective tax rate for the year (being the statutory tax rate relative to the profit before tax in each jurisdiction) is 15.05% (2023: 18.8%).

The differences are reconciled below:

	2024 \$ 000	2023 \$ 000
(Loss)/profit before tax	<u>(65,738)</u>	<u>36,470</u>
Tax charged based on effective tax rate	(9,894)	6,856
Income tax prior year under provision	1,125	1,646
Deferred tax prior year under/(over) provision and impact of change in tax rates	873	(649)
Items disallowed for tax purposes	12,853	12,772
Exempt and non-taxable income	(255)	28
Tax incentives	(4,707)	(4,557)
Current year tax losses utilised	(172)	(18)
Current year tax losses where deferred tax has not been provided	433	58
Non-taxable gain arising on restructuring	(8,726)	-
State and other direct taxes	1,524	938
Other differences - net	<u>(1,856)</u>	<u>(848)</u>
Total tax (credit)/charge	<u>(8,802)</u>	<u>16,226</u>

The Group will be subject to the Global Anti-Base Erosion Model Rules ('Pillar 2') in respect of the year ending 31 December 2025. The objective of Pillar 2 is to achieve a minimum effective tax rate of 15% in every jurisdiction in which a group with consolidated global turnover exceeding €750 million has operations. As the Group was not subject to Pillar 2, due to the Group Revenue threshold, in respect of the year ended 31 December 2024, the Group has no related current tax exposure. The Group continues to assess the impact of Pillar 2, but as the Group already has a Pillar 2 effective tax rate of greater than 15% in most of the jurisdictions in which it operates, the Group does not expect Pillar 2 to have a material impact on the financial statements of the Group. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

10 Income tax (continued)

Amounts recognised in other comprehensive income

	2024			2023		
	Before tax \$ 000	Tax (expense)/ benefit \$ 000	Net of tax \$ 000	Before tax \$ 000	Tax (expense)/ benefit \$ 000	Net of tax \$ 000
Actuarial (loss)/gain on defined benefit plans	(325)	-	(325)	17	-	17
(Loss)/gain on hedge of investments in foreign operations	(7,383)	2,297	(5,086)	6,116	1,337	7,453
Exchange (loss)/gain in net investment in foreign operations	(15,418)	-	(15,418)	4,026	-	4,026
	<u>(23,126)</u>	<u>2,297</u>	<u>(20,829)</u>	<u>10,159</u>	<u>1,337</u>	<u>11,496</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

11 Intangible assets

	Goodwill \$ 000	Customer relationships \$ 000	Intellectual property / Development costs \$ 000	Total \$ 000
Cost or valuation				
At 01 January 2023	423,155	111,286	32,453	566,894
Additions	-	-	3,305	3,305
Acquired through business combinations	165,333	49,844	-	215,177
Adjustment to the carrying value of prior year business combinations	(3,275)	-	-	(3,275)
Foreign exchange movements	9,052	973	172	10,197
At 31 December 2023	594,265	162,103	35,930	792,298
Additions	-	-	5,996	5,996
Acquired through business combinations	89,199	-	-	89,199
Adjustment to the carrying value of prior year business combinations	1,292	-	-	1,292
Foreign exchange movements	(10,173)	(1,779)	(320)	(12,272)
At 31 December 2024	674,583	160,324	41,606	876,513
Amortisation				
At 01 January 2023	-	62,184	3,425	65,609
Amortisation charge	-	21,759	6,391	28,150
Foreign exchange movements	-	635	132	767
At 31 December 2023	-	84,578	9,948	94,526
Amortisation charge	-	19,819	7,141	26,960
Foreign exchange movements	-	(1,067)	(125)	(1,192)
At 31 December 2024	-	103,330	16,964	120,294
Net book value				
At 01 January 2024	594,265	77,525	25,982	697,772
At 31 December 2024	674,583	56,994	24,642	756,219

Customer relationships and intellectual property / development costs are amortised on a straight-line basis over five years. Customer relationships amortisation commences on acquisition, whereas intellectual property / development costs amortisation commences when the product is launched.

Adjustment to the carrying value of prior year business combinations

IFRS 3 allows a twelve-month measurement period from acquisition date to complete the initial acquisition accounting. When Keywords acquired The Multiplayer Group in December 2023, the fair value of certain assets and liabilities were estimated. Post-acquisition a number of fair value adjustments have been made to Property, plant and equipment (\$0.9m, note 13) and other liabilities (\$0.4m), with a corresponding increase in the Goodwill. As the adjustment is not significant, the prior period has not been restated.

Impairment tests for Goodwill

The Group assesses the carrying value of goodwill each year on the basis of budget projections for the coming year extrapolated using a 1 to 5 year growth rate and a terminal value calculated using a long-term growth rate projection. The (pre-tax) discount rate used of 10.3% (2023: 10.0%) is based on the Board's assessment of the weighted average cost of capital ("WACC") of the Group.

A cash-generating unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The CGUs represent the lowest level within the Group at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 Operating Segments. As outlined in note 3, the Board has determined the service lines as CGUs, and Goodwill acquired in business combinations has been allocated to the CGUs that are expected to benefit from business combinations to date.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

11 Intangible assets (continued)

A summary of the allocation of the carrying value of goodwill by segment and by CGU is presented below:

Segment	Service lines	2024	2023
		\$ m	\$ m
Create:	Game Development	412	328
	Art Services	20	21
Globalize:	Functional Testing	16	15
	Localization Testing	15	15
	Audio	35	36
	Localization	19	20
Engage:	Marketing	121	121
	Player Engagement	37	38
		<u>675</u>	<u>594</u>

The value in use calculations were consistently calculated year over year. Following the acquisition of the Group, the WACC was estimated at 10.3% (2023:10.0%) for the Group. There were no other significant changes in the assumptions made. The result of the value in use calculations was that no impairment is required in this period.

Key assumptions	Actual			Sensitivity analysis		
	2024	2023	2024	2023	2024	2023
1 to 5 year growth assumption	10%	10%	15%	15%	5%	5%
Long-term growth rate assumption	2%	2%	2%	2%	2%	2%
Value in use (\$m) - all CGUs	2,672	2,036	3,327	2,480	2,160	1,697
Carrying value - goodwill (\$m)	<u>675</u>	<u>594</u>				

The 2023 value in use calculation has been amended to reflect a revised methodology, implemented in 2024 as the Directors feel that this methodology is more appropriate.

The value in use calculation has increased \$636m year-on-year, with the residual due to the on-going growth of the business, and new opportunities presented by the acquisition.

Sensitivity analysis has been performed across all the CGUs to flex the growth rate by 5% and separately to flex the discount rate by 1%. Under both scenarios there would have been no requirement for the Group to recognise any impairment charge in either period presented, in any individual CGU. The Directors consider that no reasonably probable change in the assumptions would result in an impairment.

12 Right of use assets

The Group has entered into leases, across the business, principally relating to property. These property leases have varying terms and renewal rights.

	2024	2023
	\$ 000	\$ 000
Cost		
At 01 January	83,557	70,235
Additions	12,403	15,199
De-recognition of expired leases	(8,325)	(10,792)
Recognition on acquisition of subsidiaries	6,158	6,671
Exchange rate movement	(2,972)	2,244
At 31 December	<u>90,821</u>	<u>83,557</u>
Accumulated depreciation		
At 01 January	37,195	30,054
Depreciation charge	15,741	14,995
De-recognition of expired leases	(8,325)	(10,792)
Impairment charge	3,160	2,210
Exchange rate movement	(2,221)	728
At 31 December	<u>45,550</u>	<u>37,195</u>
Net book value		
At 01 January	<u>46,362</u>	<u>40,181</u>
At 31 December	<u>45,271</u>	<u>46,362</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

13 Property, plant and equipment

	Computers and software \$ 000	Office furniture and equipment \$ 000	Leasehold improvements \$ 000	Total \$ 000
Cost or valuation				
At 01 January 2023	68,292	10,533	19,379	98,204
Additions	28,112	2,307	2,785	33,204
Acquired through business combinations	3,079	424	299	3,802
Disposals	(4,057)	(328)	(486)	(4,871)
Foreign exchange movements	1,198	240	301	1,739
At 31 December 2023	96,624	13,176	22,278	132,078
Additions	27,974	794	3,505	32,273
Acquired through business combinations	987	744	1,996	3,727
Disposals	(1,254)	(215)	(37)	(1,506)
Adjustment to the carrying value of prior year business combinations	(922)	-	-	(922)
Foreign exchange movements	(4,649)	(940)	(1,392)	(6,981)
At 31 December 2024	118,760	13,559	26,350	158,669
Accumulated depreciation				
At 01 January 2023	38,420	5,002	7,014	50,436
Charge for year	19,733	1,379	3,884	24,996
Eliminated on disposal	(4,057)	(328)	(486)	(4,871)
Impairment	3,852	-	2,379	6,231
Foreign exchange movements	(536)	141	223	(172)
At 31 December 2023	57,412	6,194	13,014	76,620
Charge for the year	22,672	1,562	3,354	27,588
Eliminated on disposal	(1,254)	(215)	(37)	(1,506)
Impairment	-	-	881	881
Foreign exchange movements	(3,425)	(583)	(966)	(4,974)
At 31 December 2024	75,405	6,958	16,246	98,609
Net book value				
At 31 December 2023	39,212	6,982	9,264	55,458
At 31 December 2024	43,355	6,601	10,104	60,060

14 Investments

	2024 \$ 000	2023 \$ 000
Investments	193	193

From time to time, the Group (via Keywords Ventures Limited) has made modest investments in businesses developing innovative technologies and services that will benefit its clients, while further accelerating the success of investee companies through access to its global platform and relationships.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

15 Trade receivables

	2024 \$ 000	2023 \$ 000
Trade receivables	103,315	103,966
Provision for impairment of trade receivables	<u>(7,072)</u>	<u>(4,691)</u>
Financial asset held at amortised cost	<u>96,243</u>	<u>99,275</u>

Trade receivables arise from revenues derived from contracts with customers.

16 Other receivables

	2024 \$ 000	2023 \$ 000
Current		
Multimedia tax credits/video games tax relief	41,476	40,938
Accrued income	27,029	20,209
Prepayments and rent deposits	15,000	15,854
Tax and social security	9,460	8,018
Other receivables	<u>6,149</u>	<u>6,973</u>
	<u>99,114</u>	<u>91,992</u>

Accrued income from contracts with customers represents mainly contract assets in process and related items.

17 Other payables

	2024 \$ 000	2023 \$ 000
Current liabilities		
Accrued expenses	77,582	84,972
Amounts due to related parties (note 29)	225,037	-
Other payables	21,077	33,221
Deferred and contingent consideration (i)	20,318	40,348
Deferred and contingent consideration related to continuous employment (i)	9,045	8,028
Payroll taxes	<u>7,096</u>	<u>5,599</u>
	<u>360,155</u>	<u>172,168</u>
Non-current liabilities		
Deferred and contingent consideration (i)	<u>38,207</u>	<u>13,251</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

17 Other payables (continued)

(i) The movements in deferred and contingent consideration during the period were as follows:

	2024		2023	
	Deferred and contingent consideration \$ 000	Deferred and contingent consideration related to continuous employment \$ 000	Deferred and contingent consideration \$ 000	Deferred and contingent consideration related to continuous employment \$ 000
Carrying amount at the beginning of the period	53,599	8,028	67,489	3,818
Consideration settled by cash	(29,851)	(2,367)	(33,020)	(4,222)
Consideration settled by shares	(8,494)	(1,043)	(12,614)	(1,337)
Unwinding of discount (note 6)	3,128	-	3,543	-
Additional liabilities from current year acquisitions	47,915	63	28,045	345
Additional liabilities from prior acquisitions	-	7,721	-	-
Fair value movements in contingent consideration (note 5)	(7,294)	-	334	-
Fair value movements in deferred consideration related to continuous employment	-	(3,247)	-	9,611
Exchange rate movement	(478)	(110)	(178)	(187)
Carrying amount at the end of the period	<u>58,525</u>	<u>9,045</u>	<u>53,599</u>	<u>8,028</u>

A 10% increase in expected performance would increase the carrying value of Deferred and contingent consideration by \$4.9m, while a 10% reduction in expected performance would decrease the carrying value by \$12.2m. A 10% increase in expected performance would increase the carrying value of Deferred and contingent consideration related to continuous employment by \$nil, while a 10% reduction in expected performance would decrease the carrying value by \$2.7m.

On an undiscounted basis, at period end the Group may be liable for deferred and contingent consideration ranging from \$2.2m to a maximum of \$93.4m.

(i) Other payables include deferred income from contracts with customers of \$6.5m (2023: \$14.4m), which mainly comprise items invoiced prior to services being delivered. Excluding amounts recognised on acquisition of subsidiaries (\$nil, see note 26), the movement in the year comprises transfers in and out as items are deferred and subsequently recognised as revenue.

18 Loans and borrowings

After Houting UK Limited (Bidco) acquired the Group in October 2024, the pre-existing unsecured multi-currency revolving credit facility ("RCF") was repaid by Bidco in November 2024, with the outstanding debt now owed to Bidco.

The legacy RCF for \$400m put in place during 2023 was denominated in USD and included an accordion option to increase the facility up to \$500m, with an option to extend the expiry date by a further one-year period (both subject to lender consent), at interest rates based on a margin over currency benchmark rates, plus a separate margin charged for the unutilised facility. The legacy RCF contained representations, warranties and financial covenants customary for facilities of this type.

Throughout the period, the Group operated well within the applicable ratio terms.

	2024 \$ 000	2023 \$ 000
Maturity analysis of Loans and borrowings		
Current		
Expiry within 1 year	-	-
Non-current		
Expiry between 1 and 2 years	-	-
Expiry between 2 and 5 years	-	140,618
Expiry over 5 years	-	-
	<u>-</u>	<u>140,618</u>
	<u>-</u>	<u>140,618</u>
Currency denomination		
US dollar	-	38,780
Sterling	-	101,838
	<u>-</u>	<u>140,618</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

18 Loans and borrowings (continued)

Loans and borrowings (classified as financial liabilities under IFRS 9), are held at amortised cost. The interest expense is calculated using the effective interest method.

The movements in Loans and borrowings are as follows:

	Current \$ 000	Non-current \$ 000	Total \$ 000
At 01 January 2023	45	-	45
Cashflows:			
Drawdowns	-	244,804	244,804
Repayments	(45)	(105,131)	(105,176)
Non-cashflows:			
Exchange rate movement	-	945	945
At 31 December 2023	-	140,618	140,618
Cashflows:			
Drawdowns	-	186,713	186,713
Repayments	-	(329,390)	(329,390)
Non-cashflows:			
Exchange rate movement	-	2,059	2,059
At 31 December 2024	-	-	-

19 Lease liabilities

The Group has entered into leases, across the business, principally relating to property. These property leases have varying terms and renewal rights. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

The movement in lease liabilities during the financial year was as follows:

	2024 \$ 000	2023 \$ 000
Carrying amount at the beginning of the year	51,851	45,351
Recognition on acquisition of subsidiaries	6,158	6,671
Modifications on lease liabilities	(1,082)	-
Liabilities recognised on new leases in the period	12,403	15,199
Unwinding of discounted liabilities - lease liabilities	1,832	1,562
Payment of principal and interest on lease liabilities	(18,112)	(18,038)
Exchange rate movement	(1,659)	1,106
Carrying amount at the end of the year	51,391	51,851

The value of leases not yet commenced to which the lessee is committed, which are not included in the lease liability at 31 December 2024, were \$0.8m (2023: \$4.0m).

	2024 \$ 000	2024 \$ 000	2024 \$ 000	2023 \$ 000	2023 \$ 000	2023 \$ 000
Maturity analysis of lease liabilities	Lease payments	Finance charges	Lease liabilities	Lease payments	Finance charges	Lease liabilities
Current						
Not later than one year	18,736	1,630	17,106	16,736	1,434	15,302
Non-current						
Later than one year and not later than five years	33,183	1,847	31,336	33,720	2,416	31,304
Later than five years	3,092	143	2,949	5,411	166	5,245
	36,275	1,990	34,285	39,131	2,582	36,549
At 31 December	55,011	3,620	51,391	55,867	4,016	51,851

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

19 Lease liabilities (continued)

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of twelve months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. The expenses in the period relating to payments not included in the measurement of the lease liability were as follows:

	2024 \$ 000	2023 \$ 000
Lease payments not recognised as a liability		
Short-term leases	2,095	2,815
	<u>2,095</u>	<u>2,815</u>

The future minimum lease payments related to these leases

Not later than one year	1,016	1,193
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>1,016</u>	<u>1,193</u>

The effect of variable lease payments and reinstatement costs on future cash outflows arising from leases is not material for the Group.

20 Employee defined benefit plans

	2024 \$ 000	2023 \$ 000
Liabilities under Employee defined benefit plans	<u>4,851</u>	<u>4,448</u>

In line with statutory requirements in France, Italy and India, we are required to maintain employee defined benefit termination payment schemes. The Group commissions an actuarial valuation of the related liabilities in each jurisdiction annually. The liabilities at year end are recorded as long term, while the actuarial gain or loss is recorded separately within Other comprehensive income.

The Group has taken no specific actions to mitigate these factors as due to the long term nature of the plans it is expected that there will be no sudden financial impact on the Group's results caused by any of these factors. A maturity profile of the obligation and other disclosures required by IAS 19 are not presented as the liability is not significant in the context of the Group, and due to the age profile of employees, a significant outlay is not anticipated for the foreseeable future.

Substantially all of the pension costs of \$10.5m (2023: \$8.8m) disclosed in note 8 relate to the Group's defined contribution pension plans.

21 Deferred tax

Deferred tax movements during the year:

	01 January 2024 \$ 000	Recognised in income statement (note 10) \$ 000	31 December 2024 \$ 000
Employee defined benefit plans	127	380	507
Provisions	17,678	3,007	20,685
Property, plant and equipment	(1,033)	2,426	1,393
Goodwill	23,358	(804)	22,554
Unused tax losses	14,811	12,619	27,430
Multimedia tax credits / video games tax relief	(6,881)	1,611	(5,270)
Customer relationships	(23,283)	5,410	(17,873)
	<u>24,777</u>	<u>24,649</u>	<u>49,426</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

21 Deferred tax (continued)

Deferred tax movements during the prior year:

	01 January 2023 \$ 000	Recognised in income statement (note 10) \$ 000	Recognised in business combinations (notes 11, 26) \$ 000	31 December 2023 \$ 000
Employee defined benefit plans	203	(76)	-	127
Provisions	7,778	9,900	-	17,678
Property, plant and equipment	(984)	(49)	-	(1,033)
Goodwill	20,064	(2,240)	5,534	23,358
Unused tax losses	11,758	(222)	3,275	14,811
Multimedia tax credits / video games tax relief	(4,282)	(2,599)	-	(6,881)
Customer relationships	(18,929)	7,903	(12,257)	(23,283)
	<u>15,608</u>	<u>12,617</u>	<u>(3,448)</u>	<u>24,777</u>
Deferred tax assets and liabilities				
		Assets \$ 000	Liabilities \$ 000	Net deferred tax \$ 000
2024				
Employee defined benefit plans		507	-	507
Provisions		22,226	(1,541)	20,685
Property, plant and equipment		3,391	(1,998)	1,393
Goodwill		22,554	-	22,554
Right of use assets and Lease liabilities		10,904	(10,904)	-
Unused tax losses		27,430	-	27,430
Multimedia tax credits / video games tax relief		-	(5,270)	(5,270)
Customer relationships		-	(17,873)	(17,873)
Offset where legally enforceable right of set off exists		(20,944)	20,944	-
		<u>66,068</u>	<u>(16,642)</u>	<u>49,426</u>
		Assets \$ 000	Liabilities \$ 000	Net deferred tax \$ 000
2023				
Employee defined benefit plans		138	(11)	127
Provisions		17,726	(48)	17,678
Property, plant and equipment		861	(1,894)	(1,033)
Goodwill		23,358	-	23,358
Right of use assets and Lease liabilities		10,892	(10,892)	-
Unused tax losses		14,811	-	14,811
Multimedia tax credits / video games tax relief		190	(7,071)	(6,881)
Customer relationships		-	(23,283)	(23,283)
Offset where legally enforceable right of set off exists		(31,821)	31,821	-
		<u>36,155</u>	<u>(11,378)</u>	<u>24,777</u>

The deferred tax asset not recognised on available losses at the period end is \$4.2m (2023: \$3.6m). Deferred tax assets and deferred tax liabilities are offset where a legally enforceable right to offset the recognised amounts exists, the deferred tax assets and deferred tax liabilities relate to taxes levied by the same taxation authority, and the Group anticipates they will be settled either at the same time or, on a net basis.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

22 Share capital

	Issue date	Per share \$	Number of ordinary shares £0.01 shares	Number of ordinary £0.01 shares - to be issued	Share capital \$ 000	Share capital - to be issued \$ 000	Share premium \$ 000	Merger reserve* \$ 000
At 01 January 2023		-	77,990,057	87,737	1,139	2,497	56,832	330,788
Acquisition-related issuance of shares:								
Heavy Iron	20-Jan-23	33.32	93,856	-	1	-	-	3,519
Climax Studios	17-Feb-23	33.83	21,428	-	-	-	-	614
Waste Creative	15-Mar-23	33.59	26,600	-	-	-	-	912
Digital Media Management	29-Mar-23	28.64	-	301,170	-	10,100	-	-
Digital Media Management	06-Apr-23	33.87	301,170	(301,170)	3	(10,100)	-	10,096
Hardsuit Labs	10-May-23	31.11	-	53,482	-	1,650	-	-
Hardsuit Labs	30-May-23	29.48	53,482	(53,482)	1	(1,650)	-	1,649
Tantalus Media	15-Jun-23	31.09	191,722	-	2	-	6,493	-
Playboss Interactive	30-Jun-23	31.19	-	13,118	-	349	-	-
Forgotten Empires LLC	03-Aug-23	36.61	60,856	(60,856)	1	(1,750)	-	1,749
Forgotten Empires LLC	03-Aug-23	31.42	59,559	-	1	-	-	1,998
Forgotten Software SL	03-Aug-23	28.18	26,881	(26,881)	-	(747)	-	747
Mighty Games	21-Nov-23	28.24	2,585	-	-	-	54	-
Kantan	12-Dec-23	39.30	12,254	-	1	-	-	432
Acquisition-related issuance of shares		-	850,393	(74,619)	10	(2,148)	6,547	21,716
Exercise of share options		-	446,786	-	6	-	1,577	-
At 31 December 2023		-	79,287,236	13,118	1,155	349	64,956	352,504
Change in functional currency		-	-	-	(119)	5	(4,771)	(14,922)
At 01 January 2024		-	79,287,236	13,118	1,036	354	60,185	337,582
Acquisition-related issuance of shares:								
Smoking Gun	05-Jan-24	19.00	124,221	-	2	-	-	2,359
Waste Creative	19-Mar-24	20.77	1,245	-	-	-	-	26
47 Communications	15-Apr-24	19.92	87,648	-	1	-	-	1,745
Helpshift	15-May-24	17.01	27,045	-	-	-	-	460
Playboss Interactive	01-Jul-24	26.40	13,118	(13,118)	-	(354)	-	354
Forgotten Empires	05-Aug-24	23.00	141,317	-	2	-	-	3,248
Hardsuit Labs	19-Aug-24	14.61	92,398	-	1	-	-	1,349
Labcom	07-Oct-24	31.72	12,415	-	-	-	-	389
Acquisition-related issuance of shares		-	499,407	(13,118)	6	(354)	-	9,930
Exercise of share options		-	748,367	-	11	-	8,021	-
Accelerated vesting		-	3,561,939	-	46	-	6,213	-
At 31 December 2024		-	84,096,949	-	1,099	-	74,419	347,512

* Included in the Merger reserve are amounts of \$15.9m (being the premium arising on the share placement in 2015) and \$120.8m (being the premium arising on the share placement in 2020), totalling \$136.7m, that are considered distributable. At the time of the placements, the proceeds were not allocated to a specific acquisition or specific purpose, and thus these amounts included in the Merger reserve are considered distributable.

Subject to applicable law, the Company's articles of association and any relevant authority of the Company passed by the shareholders in general meeting, there is no limit to the number of shares which the Company can issue, nor are there any restrictions on dividends or distributions on such shares.

Shares to be issued are valued at the share price at the date of acquisition and are recorded in accordance with the applicable standard.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

23 Share Incentive schemes

In July 2013, at the time of the IPO, a Share Option Scheme and a Long-Term Incentive Plan (“LTIP”) was put in place, while in 2021, the Group introduced an Employee Share Purchase Plan. Following the acquisition of the Group by EQT each of these schemes closed during the year. The charge in relation to these arrangements is as follows:

	2024 \$ 000	2023 \$ 000
Share option scheme expense	704	1,462
LTIP option scheme expense	54,916	22,146
Employee share purchase plan	-	135
Share-based payments expense	<u>55,620</u>	<u>23,743</u>

Of the total Share-based payments expense, \$5,856k relates to Directors of the Company (2023: \$2,256k).

Share Option Scheme

Share options are granted to Executive Directors and to permanent employees. The exercise price of the granted options is equal to the market price of the shares at the time of the award of the options. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Average exercise price in £ per share	Number of options	Average exercise price in £ per share	Number of options
Outstanding at the beginning of the period	18.99	1,358,340	18.78	1,585,819
Granted	-	-	-	-
Lapsed	24.24	(508,223)	19.79	(125,282)
Exercised	<u>15.86</u>	<u>(850,117)</u>	<u>14.71</u>	<u>(102,197)</u>
Outstanding at the end of the period	<u>-</u>	<u>-</u>	<u>18.99</u>	<u>1,358,340</u>
Exercisable at the end of the period	<u>-</u>	<u>-</u>	<u>17.45</u>	<u>873,025</u>
Weighted average share price at date of exercise	<u>23.27</u>		<u>25.87</u>	

Year of Option	2017	2018	2019	2020	2021	2022	2023	2024	Total
Exercise price	<u>£7.76</u>	<u>£17.10</u>	<u>£15.88</u>	<u>£15.93</u>	<u>£25.48</u>	-	-	-	
Outstanding at the beginning of the period	34,750	128,674	274,722	469,200	450,994	-	-	-	1,358,340
Lapsed	(11,250)	(5,600)	(14,822)	(25,557)	(450,994)	-	-	-	(508,223)
Exercised	<u>(23,500)</u>	<u>(123,074)</u>	<u>(259,900)</u>	<u>(443,643)</u>	-	-	-	-	<u>(850,117)</u>
Outstanding at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The inputs into the Black-Scholes model, used to value the options, are as follows:

Year of Option	2017	2018	2019	2020	2021	2022	2023	2024
Weighted average share price (£)	£7.75	£17.22	£16.09	£16.00	£26.42	-	-	-
Weighted average exercise price (£)	£7.76	£17.10	£15.88	£15.93	£25.48	-	-	-
Fair value at measurement date (\$)	\$1.24	\$4.46	\$6.38	\$6.63	\$11.18	-	-	-
Average expected life in years	4	4	4	4	4	-	-	-
Expected volatility	24.79%	35.87%	45.23%	50.15%	47.70%	-	-	-
Risk-free rates	0.16%	0.89%	0.81%	0.07%	0.15%	-	-	-
Average expected dividend yield	<u>0.21%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.10%</u>	-	-	-

Expected volatility was determined by reference to KWS volatility. 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.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

23 Share Incentive schemes (continued)

Long-term Incentive Plan Scheme

LTIP share awards are subject to KWS performance versus the designated share index over a three-year period.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Average exercise price in £ per share	Number of options	Average exercise price in £ per share	Number of options
Outstanding at the beginning of the period	0.01	3,629,433	0.01	3,648,173
Granted	0.01	1,647,981	0.01	720,680
Lapsed	0.01	(2,561,637)	0.01	(124,047)
Exercised	0.01	(2,715,777)	0.01	(615,373)
Outstanding at the end of the period	-	-	0.01	3,629,433
Exercisable at the end of the period	-	-	0.01	1,276,229
Weighted average share price at date of exercise	22.94		21.96	

Year of Option	2017	2018	2019	2020	2021	2022	2023	2024	Total
Exercise price	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01	
Outstanding at the beginning of the period	30,743	134,428	319,043	792,015	793,307	846,614	713,283	-	3,629,433
Granted	-	-	-	-	-	-	-	1,647,981	1,647,981
Lapsed	(2,743)	-	(13)	(35,012)	(783,807)	(48,932)	(43,149)	(1,647,981)	(2,561,637)
Exercised	(28,000)	(134,428)	(319,030)	(757,003)	(9,500)	(797,682)	(670,134)	-	(2,715,777)
Outstanding at the end of the period	-	-	-	-	-	-	-	-	-

The inputs into the Monte Carlo binomial model, used to value the options, are as follows:

Year of Option	2017	2018	2019	2020	2021	2022	2023	2024
Weighted average share price (£)	£7.75	£17.24	£16.05	£16.00	£26.42	£22.31	£22.46	£11.79
Weighted average exercise price (£)	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01
Fair value at measurement date (\$)	\$5.44	\$13.94	\$15.60	\$14.54	\$20.08	\$16.59	\$22.71	\$12.31
Average expected life in years	3	3	3	3	3	3	3	3
Expected volatility	24.79%	35.87%	45.26%	50.15%	47.70%	41.22%	38.05%	38.20%
Risk-free rates	0.16%	0.89%	0.81%	0.07%	0.13%	1.59%	3.58%	4.22%

Expected volatility was determined by reference to KWS share price volatility. 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. As any dividends earned are to be reinvested into the business, the impact of dividends has been ignored in the calculation of the LTIP share option charge.

Salary Shares

Conditional awards under the rules of the LTIP Plan ("Salary Shares"), are issued to certain employees and Directors, where the only vesting condition is continuous service.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Average exercise price in £ per share	Number of options	Average exercise price in £ per share	Number of options
Outstanding at the beginning of the period	0.01	842,591	0.01	259,623
Granted	0.01	1,631,284	0.01	622,627
Lapsed	0.01	(1,023,355)	0.01	(31,509)
Exercised	0.01	(1,450,520)	0.01	(8,150)
Outstanding at the end of the period	-	-	0.01	842,591

Year of Option	2021	2022	2023	2024	Total
Exercise price	£0.01	£0.01	£0.01	£0.01	
Outstanding at the beginning of the period	23,194	206,174	613,223	-	842,591
Granted	-	-	-	1,631,284	1,631,284
Lapsed	-	(9,772)	(99,981)	(913,602)	(1,023,355)
Vested	(23,194)	(196,402)	(513,242)	(717,682)	(1,450,520)
Outstanding at the end of the period	-	-	-	-	-

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

23 Share Incentive schemes (continued)

Details of the awards by year are as follows:

Year of Option	2021	2022	2023	2024
Weighted average share price (£)	£27.40	£22.41	£22.08	£14.12
Weighted average exercise price (£)	£0.01	£0.01	£0.01	£0.01
Fair value at measurement date (\$)	\$37.58	\$27.64	\$27.42	\$18.06
Average expected life in years	<u>3</u>	<u>2</u>	<u>2.5</u>	<u>2.5</u>

24 Reserves

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

Retained earnings

Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income.

Foreign exchange reserve

Gains or losses arising on retranslation of the net assets of the overseas operations into US dollars.

Share premium

The share premium account is the amount received for shares issued in excess of their nominal value, net of share issuance costs.

Share-based payments reserve

The Share-based payments reserve is the credit arising on share-based payment charges in relation to the Company's share and share option schemes, net of the cost of EBT shares utilised for employee share schemes less any related cash proceeds. Following the closing of the share incentive schemes the Share-based payment reserve was transferred to Retained earnings.

Shares to be issued

For deferred consideration which is to be provided for by the issue of a fixed number of shares at a future defined date, where there is no obligation on Keywords to offer a variable number of shares, the deferred consideration is classified as an Equity Arrangement and the value of the shares is fixed at the date of the acquisition.

Merger reserve

The merger reserve was initially created following the Group reconstruction, when Keywords Studios plc acquired the Keywords International Limited group of companies. When the Group uses Keywords Studios plc shares as consideration for the acquisition of an entity and has secured at least a 90% equity holding in the acquisition, the value of the shares in excess of the nominal value (net of share issuance costs) is also recorded within this reserve, in line with S612 of the Companies Act 2006. Within Merger reserve are balances related to the share premium on the share placements in 2015 and 2020, of \$15.9m and \$120.8m respectively, both completed via a cash box structure, with the Company acquiring the net proceeds via a share-for-share exchange. In both cases, the share premium on the issuance of new shares was credited to Merger reserve (in accordance with the Companies Act 2006). At the time of the placements, the proceeds were not allocated to a specific acquisition or specific purpose, and thus, amounts totalling \$136.7m included in the Merger reserve are considered distributable.

Shares held in Employee Benefit Trust ("EBT")

	2024		2023	
	Shares	\$ 000	Shares	\$ 000
At end of prior year	408,485	7,251	-	-
Change in functional currency	-	227	-	-
Company funded acquisitions of shares	299,241	5,441	748,655	15,968
Utilisation for the exercise of share-based payments plans	<u>(707,726)</u>	<u>(12,919)</u>	<u>(340,170)</u>	<u>(8,717)</u>
At 31 December	<u>-</u>	<u>-</u>	<u>408,485</u>	<u>7,251</u>

25 Capital management

The liquidity risk and cash management for the Group is managed centrally by the Group Treasury function. Group Treasury manage bank balances centrally and monitor the credit rating and stability of the institutions the Group banks with. The Board receives information regarding cash balances and projections monthly.

Following the acquisition, liquidity risk and cash management for the Group is managed in conjunction with EQT Treasury, who oversaw the acquisition financing arrangements and manage external borrowing across their acquisition portfolio.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

26 Business Combinations

	Wushu Studios Ltd \$ 000	Certain Affinity Inc \$ 000	Other acquisitions \$ 000	2024 \$ 000	2023 \$ 000
Book value					
Property, plant and equipment	741	2,981	5	3,727	3,802
Right of use assets	1,748	4,410	-	6,158	6,671
Trade and other receivables - gross	1,937	6,770	50	8,757	13,301
Bad debt provision	-	-	-	-	(360)
Cash and cash equivalents	4,569	1,239	173	5,981	29,296
Trade and other payables	(2,241)	(4,761)	(131)	(7,133)	(4,737)
Deferred income	-	-	-	-	(5,835)
Lease liabilities	(1,748)	(4,410)	-	(6,158)	(6,671)
Book value of identifiable assets and liabilities acquired	<u>5,006</u>	<u>6,229</u>	<u>97</u>	<u>11,332</u>	<u>35,467</u>
Fair value adjustments					
Identifiable intangible assets - Customer relationships	-	-	-	-	49,844
Deferred tax assets	-	-	-	-	5,534
Deferred tax liabilities	-	-	-	-	(12,257)
Total fair value adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,121</u>
Net assets acquired	5,006	6,229	97	11,332	78,588
Goodwill from current year acquisitions	<u>35,484</u>	<u>53,024</u>	<u>691</u>	<u>89,199</u>	<u>165,333</u>
Total purchase consideration	<u>40,490</u>	<u>59,253</u>	<u>788</u>	<u>100,531</u>	<u>243,921</u>
Details of purchase consideration and outflows from current acquisitions					
Cash	22,775	29,114	662	52,551	203,775
Equity instruments	-	-	-	-	11,750
Deferred cash	-	-	61	61	3,184
Deferred consideration contingent on performance	17,715	30,139	-	47,854	24,861
Assumed liabilities	-	-	65	65	-
Shares to be issued	-	-	-	-	351
Total purchase consideration	<u>40,490</u>	<u>59,253</u>	<u>788</u>	<u>100,531</u>	<u>243,921</u>
Related acquisition costs charged to the Consolidated Statement of Comprehensive Income:	<u>386</u>	<u>400</u>	<u>111</u>	<u>897</u>	<u>2,533</u>
Number of shares:					
Shares issued on acquisition	-	-	-	-	354,652
Fixed number of shares to be issued	-	-	-	-	13,118
Net cash outflow arising on acquisition:					
Cash paid in the period	22,775	29,114	662	52,551	203,775
Less: cash and cash equivalent balances transferred	<u>(4,569)</u>	<u>(1,239)</u>	<u>(173)</u>	<u>(5,981)</u>	<u>(29,296)</u>
Net cash outflow arising on acquisition	<u>18,206</u>	<u>27,875</u>	<u>489</u>	<u>46,570</u>	<u>174,479</u>
Details of pro forma and profitability of current acquisitions:					
Pre-acquisition revenue in H1	9,411	10,264	395	20,070	34,110
Pre-acquisition revenue in H2	<u>1,863</u>	<u>9,788</u>	<u>-</u>	<u>11,651</u>	<u>21,030</u>
Pre-acquisition revenue	11,274	20,052	395	31,721	55,140
Post-acquisition revenue	<u>6,343</u>	<u>4,681</u>	<u>252</u>	<u>11,276</u>	<u>42,426</u>
Pro forma revenue	<u>17,617</u>	<u>24,733</u>	<u>647</u>	<u>42,997</u>	<u>97,566</u>
Pre-acquisition profit / (loss) before tax	2,829	(12,581)	(5)	(9,757)	11,634
Post-acquisition profit / (loss) before tax	<u>426</u>	<u>(215)</u>	<u>(90)</u>	<u>121</u>	<u>7,782</u>
Pro forma profit / (loss) before tax	<u>3,255</u>	<u>(12,796)</u>	<u>(95)</u>	<u>(9,636)</u>	<u>19,416</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

26 Business Combinations (continued)

Disclosures required by IFRS 3 Business Combinations are provided separately for those individual acquisitions that are considered to be material, and in aggregate for individually immaterial acquisitions. Acquisitions are considered individually material if the impact on the Group's Revenue and Adjusted Profit Before Tax measures (on an annualised basis) is greater than 5%, or the impact on goodwill is greater than 10% of the closing balance for the period. Two of the business combinations completed during the current period were considered individually material and therefore warrant separate disclosure.

During the period, the Group completed four acquisitions, Bright White Limited, Robot Circus, Wushu Studios Limited and Certain Affinity Inc. purchasing 100% of these businesses. The aggregate amounts recognised in respect of the identifiable assets acquired and liabilities assumed on acquisitions completed in the period are set out in the table above. Details of the purchase consideration and other information relevant to the evaluation of the financial effect of the acquisitions are also presented.

Total purchase consideration of \$100.5m includes amounts attributable to Wushu Studios Limited of \$40.5m, Certain Affinity of \$59.2m and other acquisitions of \$0.8m, while Goodwill from current year acquisitions of \$89.2m includes amounts related to Wushu Studios Limited of \$35.5m, Certain Affinity Inc. of \$53.0m and other acquisitions of \$0.7m.

Total purchase consideration excludes \$25.8m of Deferred and contingent consideration related to continuous employment, where the purchase agreement includes deferred consideration contingent on both pre defined profit and / or revenue targets being exceeded and which is also tied to the retention of key staff, that are considered post-acquisition expenses under IFRS 3 (note 17).

The main factors leading to the recognition of goodwill on the acquisitions are the presence of certain intangible assets in the acquired entities, which are not valued for separate recognition. These include expertise in the acquired entities, enhancing and growing our service capabilities, broadening our service offering, and extending our geographical footprint, further building out our global platform.

The goodwill that arose from business combinations completed in the period that is expected to be deductible for tax purposes was \$0.4m.

27 Group subsidiaries

Details of the Company's direct and indirect subsidiaries as at 31 December 2024 are as follows:

Name of subsidiary	Date of Incorporation / Acquisition	Registered office	Proportion of ownership interest and voting rights held [^]	
			2024	2023
3455 Productions, LLC	24-Nov-20	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
47 Communications LLC	31-Jan-23	5455 Wilshire Blvd, 22nd Fl, Los Angeles, CA 90036, USA	100%	100%
9409-2954 Québec Inc.	04-Dec-19	1751 Richardson, Suite 7300, Montreal, QC H3K 1G6, Canada	100%	100%
AMC RO Studios S.R.L.	11-Aug-21	Stirbei Voda 36, etaj 1, sector 1, Bucharest, Romania	100%	100%
Babel Media Limited *	17-Feb-14	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Babel Media USA, Inc.	17-Feb-14	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
Bitsy SG Limited	17-Aug-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Blindlight, LLC	08-Jun-18	1111 South Flower Street, Suite 101, Burbank, CA 91502, USA	100%	100%
Climax Development Limited	22-Apr-21	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Climax Studios Limited	22-Apr-21	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Coconut Lizard LTD **	25-Jun-20	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Cord Worldwide LTD **	07-Apr-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
d3t Development Limited	30-Aug-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
d3t LTD	19-Oct-17	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Descriptive Video Works Inc.	11-Jun-19	700 West Georgia St, Suite 2200, Vancouver BC V7Y 1K8, Canada	100%	100%
Digital Media Management Inc	29-Mar-23	6555 Barton Ave., Suite 190 Los Angeles, CA 90038, USA	100%	100%
Edugame Solutions Private Limited	09-Oct-14	3rd floor, Vardhman Orchard Plaza, Plot No 4, LSC, West Enclave, Pitampura, New Delhi, 110034, India	100%	100%
Electric Square Limited	17-Aug-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)**27 Group subsidiaries (continued)**

Name of subsidiary	Date of Incorporation / Acquisition	Registered office	Proportion of ownership interest and voting rights held [^]	
			2024	2023
Fire Without Smoke Inc	29-May-18	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
Fire Without Smoke LTD	29-May-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Forgotten Empires LLC	28-Jul-22	8730 Cincinnati Dayton Rd. #1072, West Chester, OH 45071, USA	100%	100%
Forgotten Software S.L.U	28-Jul-22	Avenida de Sor Teresa Prat, 15, Edificio Polo Contenidos Digitales, 29003, Málaga, Spain	100%	100%
g-Net Media, Inc.	24-Nov-20	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
Hardsuit Labs, Inc	10-May-23	4025 Delridge Way SW, #210, Seattle 98106, USA	100%	100%
Heavy Iron Studios, Inc	12-Jan-21	1600 Rosecrans Ave., Bldg 7 Ste 300, MBS Media Campus, Manhattan Beach CA, 90266, USA	100%	100%
Helpshift Inc	15-Dec-22	343 Sansome Street, Suite 500, San Francisco, California, 94104, USA	100%	100%
Helpshift Information Technology (Shanghai) Co. Ltd	15-Dec-22	Southwest Area, 3rd Floor, No. 2123 Pudong Avenue, Shanghai, China	100%	100%
Helpshift Technologies Private Limited	15-Dec-22	Office No. 801, Global Square Realty, S.No - 247 14B, Yerwada, Pune, MH 411006, India	100%	100%
High Voltage Software, Inc.	14-Dec-20	2345 Pembroke Ave., Hoffman Estates, IL 60169, USA	100%	100%
HVS Nola LLC	14-Dec-20	201 St. Charles Ave., Suite 2220, New Orleans, LA 70170, USA	100%	100%
Ichi LTD	26-Nov-19	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Indigo Pearl Limited	15-Dec-20	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Itsy SGD Limited	17-Aug-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Jinglebell S.r.l.	10-Dec-20	Via Marco d'Oggiono 12, 20123, Milan, Italy	100%	100%
Jurango Pty Limited ~	20-Dec-21	Level 5, 990 Whitehorse Road, Box Hill, Melbourne, VIC, 3128, Australia	100%	85%
Keywords (Shanghai) Information Technology Limited	02-Apr-15	Room 701, Building 5, No.860 Dong Ti Yu Hui Road, Hongkou District, Shanghai, China	100%	100%
Keywords Asia Private Limited	15-Mar-16	20 Kallang Avenue, #06-6A, Lobby B, Pico Creative Centre, 339411, Singapore	100%	100%
Keywords Australia Holdings Limited	17-Mar-21	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Keywords Australia Pty Limited ~	18-Mar-21	12 Spring Street, Fitzroy, Victoria, 3065, Australia	100%	85%
Keywords Canada Holdings Inc.	27-Oct-17	1751 Richardson, Suite 7300, Montreal, QC H3K 1G6, Canada	100%	100%
Keywords do Brasil Localização e Tradução Ltda	18-Jan-15	Avenida Jabaquara, No. 2229, Suites 71 to 74, Mirandópolis, São Paulo, SP, ZIP Code 04045-003, Brazil	100%	100%
Keywords Germany Holdings GmbH	06-Sep-19	Moriz-Seeler-Strasse 5-7, Franz Ehrlich Haus, 12489, Berlin, Germany	100%	100%
Keywords International Co., Limited	30-Nov-10	1-22-19 Izumi, Suginami-ku, Tokyo, 168-0063 Japan	100%	100%
Keywords International Limited *	13-May-98	Whelan House, South County Business Park, Leopardstown, Dublin 18, D18 T9P8, Ireland	100%	100%
Keywords International Pte. Limited	24-Apr-14	20 Kallang Avenue, #06-6A, Lobby B, Pico Creative Centre, 339411, Singapore	100%	100%
Keywords International, Inc.	26-Sep-12	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

27 Group subsidiaries (continued)

Name of subsidiary	Date of Incorporation / Acquisition	Registered office	Proportion of ownership interest and voting rights held [^]	
			2024	2023
Keywords Sperasoft LLC	07-Apr-22	17 Davit Anahaght st., Yerevan 0014, Republic of Armenia	100%	100%
Keywords Studios B.C., Inc.	27-Oct-17	700 West Georgia St, Suite 2200, Vancouver BC V7Y 1K8, Canada	100%	100%
Keywords Studios d.o.o. Beograd	18-May-22	Belgrade, BULEVAR MIHAJLA PUPINA 10L, floor 9, Belgrade-New Belgrade, NEW BELGRADE, 11070, Serbia	100%	100%
Keywords Studios Florida, Inc (formerly GameSim Inc)	16-May-17	390 North Orange Avenue, Suite 250, Orlando, FL 32801, USA	100%	100%
Keywords Studios France SAS	08-Jun-16	59 Boulevard Exelmans, 75016 Paris, France	100%	100%
Keywords Studios Germany GmbH (formerly Synthesis Deutschland GmbH)	12-Apr-16	Holstenkamp 46 A, Bahrenfeld, 22525 Hamburg, Germany	100%	100%
Keywords Studios India Private Limited	17-Feb-14	3rd floor, Vardhman Orchard Plaza, Plot No 4, LSC, West Enclave, Pitampura, New Delhi, 110034, India	100%	100%
Keywords Studios Italy S.R.L.	08-May-14	Via Egadi 2, Milano, MI, 20144, Italy	100%	100%
Keywords Studios Korea Corporation	11-Jan-21	16th Floor, Gangnam Building, 1321-1, Seocho-dong, Seocho-gu, Seoul 137-070, South Korea	100%	100%
Keywords Studios Los Angeles, Inc.	08-May-14	1115 Flower Street, Burbank, CA 91502, USA	100%	100%
Keywords Studios Malta Limited	04-May-22	Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta	100%	100%
Keywords Studios México, S. de R.L. de C.V.	16-Jul-15	Torrente #75, Colonia Ampliación Alpes, Del. Álvaro Obregón, CP. 01710, Ciudad de México, México	100%	100%
Keywords Studios Netherlands B.V.	05-Feb-19	Van Limburg Stirumstraat 19, Hilversum 1215HP, The Netherlands	100%	100%
Keywords Studios Poland Spolka z.o.o.	04-Feb-21	11 Ul. Na Zjezdzie, Krakow 30-527, Poland	100%	100%
Keywords Studios QC-Games Inc.	17-Feb-14	1751 Richardson, Suite 7300, Montreal, QC H3K 1G6, Canada	100%	100%
Keywords Studios QC-Interactive Inc.	16-Nov-16	1751 Richardson, Suite 7300, Montreal, QC H3K 1G6, Canada	100%	100%
Keywords Studios QC-Tech Inc.	06-Jan-15	1751 Richardson, Suite 7300, Montreal, QC H3K 1G6, Canada	100%	100%
Keywords Studios Romania S.R.L.	15-Jun-21	Bucharest Municipality, District 1, 36 Stirbei Voda Street, Building Domus I, Room no. 1, 1st Floor,	100%	100%
Keywords Studios Spain SLU	16-Jul-15	Julián Camarillo 6A, 3B, 28037 Madrid, Spain	100%	100%
Keywords Studios Texas, LLC	22-Jan-20	7800 Shoal Creek Blvd. Suite 240S, Austin, Texas 78757, USA	100%	100%
Keywords Studios Unlimited Company *	27-Mar-18	Whelan House, South County Business Park, Leopardstown, Dublin 18, D18 T9P8, Ireland	100%	100%
Keywords Studios US Inc	24-Oct-17	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
Keywords Treasury Holdings Limited	30-Nov-22	Whelan House, South County Business Park, Leopardstown, Dublin 18, D18 T9P8, Ireland	100%	100%
Keywords UK Holdings Limited*	28-Mar-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Keywords UK Limited	15-Dec-22	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Keywords US Holdings Inc.	23-Oct-17	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
Keywords Ventures Limited	06-Apr-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

27 Group subsidiaries (continued)

Name of subsidiary	Date of Incorporation / Acquisition	Registered office	Proportion of ownership interest and voting rights held [^]	
			2024	2023
Laboratorio Comunicazione S.r.l.	04-Nov-22	Via Egadi 2, Milano, MI, 20144, Italy	100%	100%
Laced Music LTD	07-Apr-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Laced Publishing Limited	07-Apr-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Lakshya Digital Private Limited *	09-Oct-14	3rd floor, Vardhman Orchard Plaza, Plot No 4, LSC, West Enclave, Pitampura, New Delhi, 110034, India	100%	100%
Lakshya Digital Singapore Pte. Limited	09-Oct-14	20 Kallang Avenue, #06-6A, Lobby B, Pico Creative Centre, 339411, Singapore	100%	100%
Liquid Development, LLC	19-Aug-15	411 SW 2nd Ave Ste 300, Portland, OR 97204, USA	100%	100%
Liquid Violet LTD *	15-Jan-14	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Lonsdale Miller Limited **	15-Dec-20	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Maverick Media Limited	27-Aug-20	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Mighty Developments Pty Limited ~	03-Aug-22	422 Brunswick Street, Fitzroy, VIC 3065, Australia	100%	85%
Mighty Games Group Pty Limited ~	03-Aug-22	422 Brunswick Street, Fitzroy, VIC 3065, Australia	100%	85%
Mighty Games Productions Pty Limited ~	03-Aug-22	422 Brunswick Street, Fitzroy, VIC 3065, Australia	100%	85%
Player Research LTD	26-Oct-16	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Smoking Gun Interactive Inc	05-Oct-22	1910 – 401 Georgia St. W, Vancouver BC, V6B 5A1, Canada	100%	100%
Snowed In Studios, Inc	19-Jul-18	400-981 Wellington Street West, Ottawa, Ontario, K1Y 2Y1, Canada	100%	100%
Sperasoft Poland Spółka z.o.o.	13-Dec-17	Kraj Polska, woj. Małopolskie, powiat Kraków, miejsc. Kraków, ul. Na Kozłóce 27 30-664 Kraków, Poland	100%	100%
Sperasoft Studios FZ-LLC	03-Mar-23	PO Box 769718, Abu Dhabi, United Arab Emirates	100%	100%
Sperasoft Studios LLC	13-Dec-17	196084, Russia, Saint-Petersburg, Kievskaya street, 5 - building	100%	100%
Sperasoft, Inc.	13-Dec-17	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	100%	100%
SperaSystems LLC	13-Dec-17	2033 Gateway Pl Ste 500 San Jose, CA 95110-3712, USA	100%	100%
SPOV Limited **	16-Feb-17	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Strongbox Limited	19-May-17	306 Victoria House, Victoria, Mahe, Seychelles	100%	100%
Studio Gobo Limited	17-Aug-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Sunny Side Up Creative Inc.	03-Jan-19	1751 Richardson, Suite 7300, Montreal, QC H3K 1G6, Canada	100%	100%
Synthesis Global Solutions SA *	12-Apr-16	Corso Elvezia 16, 6900 Lugano, Ticino, Switzerland	100%	100%
Tantalus Media Pty Limited ~	18-Mar-21	12 Spring Street, Fitzroy, Victoria, 3065, Australia	100%	85%
The Multiplayer Games Group (Spain) S.R.L	16-Dec-23	Calle Ferraz 11, 2nd Floor, left, Madrid, 28008, Spain	100%	100%
The Multiplayer Group (Canada) Inc.	16-Dec-23	2700-10155, 102 Street NW, Edmonton, Alberta, T5J 4G8, Canada	100%	100%
The Multiplayer Group Ltd	16-Dec-23	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
The Sound Lab LLC	29-Sep-22	3830 Monte Villa Parkway, Suite 200, Bothell, WA 98021, USA	100%	100%
The Trailerfarm Limited	13-Sep-18	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

27 Group subsidiaries (continued)

Name of subsidiary	Date of Incorporation / Acquisition	Registered office	Proportion of ownership interest and voting rights held [^]	
			2024	2023
TV+SYNCHRON Berlin GmbH	01-Oct-19	Moriz-Seeler-Strasse 5-7, Franz Ehrlich Haus, 12489, Berlin, Germany	100%	100%
Waste Creative Limited	16-Dec-21	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Waste Holdings Limited **	16-Dec-21	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	100%
Wicked Witch Software Pty Limited ~	20-Dec-21	Level 5, 990 Whitehorse Road, Box Hill, Melbourne, VIC 3128, Australia	100%	85%
Wizcorp Inc.	18-Apr-19	1-22-19 Izumi, Suginami-ku, Tokyo, 168-0063 Japan	100%	100%
Xcelerator Machine Translations Limited	12-Dec-19	DCU Alpha Innovation Campus, Old Finglas Road, Glasnevin, Dublin 11, D11 KXN4, Ireland	100%	100%
Xloc, Inc.	08-May-17	8801 Fast Park Drive, Suite 301, Raleigh, NC 27617, USA	100%	100%
Bright White Limited	03-Jul-24	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	0%
PT Keywords International Indonesia	18-Jul-24	Jalan AM Sangaji Nomor 93C, Desa/Kelurahan Karangwaru, KecTegalrejo, Kota Yogyakarta, Provinsi Daerah Istimewa, Yogyakarta, 55421, Indonesia	100%	0%
Wushu Studios Ltd	12-Aug-24	4th Floor, 110 High Holborn, London, WC1V 6JS, UK	100%	0%
Certain Affinity Games Canada, Inc.	05-Nov-24	20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8, Canada	100%	0%
Certain Affinity, Inc.	05-Nov-24	7620 Guadalupe St, Austin, TX 78752, USA	100%	0%
Reliquary PMO, LLC	05-Nov-24	7620 Guadalupe St, Austin, TX 78752, USA	100%	0%

* Indicates a direct subsidiary (all other holdings are indirect, being subsidiaries of various intermediate group holding companies)

** Indicates a subsidiary that is currently in liquidation.

[^] Proportion of voting rights and ordinary share capital ultimately held by Keywords Group.

~ A combination of put and call options were in place requiring the sellers to sell, or the Group to buy the remaining 15% shareholding three years from acquisition. During the year, the Group executed the put and call option relating to this entity and now owns 100% of the Company.

.. Wholly owned subsidiary of Keywords Australia Pty Limited. Prior to executing the put and call options, the Group has accounted for the company as if a 100% interest was held (see note 3).

The following subsidiaries have been liquidated:

• Alset Ltd with a registered office of 4th Floor, 110 High Holborn, London, WC1V 6JS, UK was liquidated on 26 March 2024.

• Eastern New Media Limited with a registered office of 4404, 44/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong was liquidated on 17 January 2025.

28 Financial Instruments and Risk Management

Group

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Management monitors interest rate fluctuations on a continuous basis and acts accordingly.

Where the Group has a significant amount of surplus cash, it invests in higher earning interest deposit accounts. Due to interest rate conditions, the interest rates for short-term deposits are at similar levels to those achieved for longer terms.

As the Group has no external interest bearing debt at 31 December 2024, interest rate sensitivity is not presented.

The loan between Keywords Studios Limited and Houting UK Limited bears no interest charge.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

28 Financial Instruments and Risk Management (continued)

Credit risk

The Group's main financial assets are cash and cash equivalents, as well as trade and other receivables which represent the Group's maximum exposure to credit risk in connection with its financial assets.

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. Customer credit risk is managed at appropriate Group locations according to established policies, procedures and controls. Customer credit quality is assessed and credit limits are established where appropriate. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract, etc.) is carried out at each reporting date. Significant balances are reviewed individually while smaller balances are grouped and assessed collectively. Receivables balances are unsecured and non-interest-bearing.

Credit risk arises on trade receivables and accrued income from contracts with customers (reported within other receivables). Trade and other receivables are carried on the Consolidated statement of financial position net of provisions.

Trade receivables

The trade receivables balances disclosed comprise a large number of customers spread across the Group's activities and geographies with balances classified as "Not past due" representing 73.9% of the total trade receivables balance at the balance sheet date (2023: 78.9%).

The ageing of trade receivables can be analysed as follows:

	Total \$ 000	Not past due \$ 000	1-2 months past due \$ 000	More than 2 months past due \$ 000
At 31 December 2024	96,243	71,104	25,139	-
At 31 December 2023	<u>99,275</u>	<u>78,361</u>	<u>20,914</u>	<u>-</u>

A provision for doubtful debtors is included within trade receivables and can be reconciled as follows:

	2024 \$ 000	2023 \$ 000
Provision at the beginning of the year	4,691	3,679
Impairment of financial assets (trade receivables) charged to other administration expenses	2,687	573
Foreign exchange movement in the year	(306)	443
Recognition on acquisition of subsidiaries	-	360
Utilised	<u>-</u>	<u>(364)</u>
Provision at the end of the year	<u>7,072</u>	<u>4,691</u>

Trade receivables loss allowance is estimated using a practical expedient to arrive at lifetime expected credit losses. Overdue receivables are evaluated to calculate an expected credit loss using a historical credit loss experience of 1.0% (2023: 1.0%). Taking into account internal and external information, the historical credit loss experience may be adjusted where it is determined that there has been a significant increase in credit risk. Where a receivable is credit impaired, the impairment is recognised immediately.

	Total \$ 000	Not past due \$ 000	1-2 months past due \$ 000	More than 2 months past due \$ 000
Trade receivables gross	103,315	71,822	25,977	5,516
Credit impaired	(6,039)	-	(578)	(5,461)
Expected credit losses	<u>(1,033)</u>	<u>(718)</u>	<u>(260)</u>	<u>(55)</u>
At 31 December 2024	<u>96,243</u>	<u>71,104</u>	<u>25,139</u>	<u>-</u>

	Total \$ 000	Not past due \$ 000	1-2 months past due \$ 000	More than 2 months past due \$ 000
Trade receivables gross	103,966	79,153	21,725	3,088
Credit impaired	(3,651)	-	(594)	(3,057)
Expected credit losses	<u>(1,040)</u>	<u>(792)</u>	<u>(217)</u>	<u>(31)</u>
At 31 December 2023	<u>99,275</u>	<u>78,361</u>	<u>20,914</u>	<u>-</u>

Accrued income from contracts with customers

Accrued income from contracts with customers comprise a large number of projects in process spread across the Group's activities and geographies, with balances classified as aged "0-30 days" representing 63.2% of the balance at the balance sheet date (2023: 67.4%).

The ageing of accrued income from contracts with customers can be analysed as follows:

	Total \$ 000	0 - 30 days \$ 000	31 - 60 days \$ 000	60+ days \$ 000
At 31 December 2024	27,029	17,093	8,098	1,838
At 31 December 2023	<u>20,209</u>	<u>13,622</u>	<u>4,564</u>	<u>2,023</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

28 Financial Instruments and Risk Management (continued)

Accrued income from contracts with customers loss allowance is estimated using a practical expedient to arrive at lifetime expected credit losses using a historical credit loss experience of 1.0% (2023: 1.0%). Taking into account internal and external information, the historical credit loss experience may be adjusted where it is determined that there has been a significant increase in credit risk. Where a receivable is credit impaired, the impairment is recognised immediately.

	Total \$ 000	0-30 days \$ 000	30-60 days \$ 000	60+ days \$ 000
Accrued income from contracts with customers gross	28,894	17,266	8,200	3,428
Credit impaired	(1,576)	-	(20)	(1,556)
Expected credit losses	<u>(289)</u>	<u>(173)</u>	<u>(82)</u>	<u>(34)</u>
At 31 December 2024	<u>27,029</u>	<u>17,093</u>	<u>8,098</u>	<u>1,838</u>

	Total \$ 000	0-30 days \$ 000	30-60 days \$ 000	60+ days \$ 000
Accrued income from contracts with customers gross	21,692	13,760	4,610	3,322
Credit impaired	(1,266)	-	-	(1,266)
Expected credit losses	<u>(217)</u>	<u>(138)</u>	<u>(46)</u>	<u>(33)</u>
At 31 December 2023	<u>20,209</u>	<u>13,622</u>	<u>4,564</u>	<u>2,023</u>

Accrued income from contracts with customers represent mainly contract assets in process and related items. Excluding movements in the provision, the movement in the year comprises transfers in and out as items are accrued and subsequently invoiced to customers, with no significant amounts recognised on the acquisition of subsidiaries.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign exchange risk arises for the Group where assets and liabilities arise in a currency other than the functional currency of the entity.

The Group's policy, where possible, is for Group entities to manage foreign exchange risk at a local level by matching the currency in which revenue is generated with the expenses incurred and by settling liabilities denominated in their functional currency with cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group is predominantly exposed to currency risk on the balances held within working capital across the Group and the exposure is concentrated in the movement of the euro, sterling and Canadian dollar against the US dollar. The effect of a strengthening or weakening of 10% in those currencies against the US dollar at the reporting date on the working capital balances would, all other variables held constant, have resulted in the following pre-tax profit / (loss) impact for the year:

	10% Strengthening 2024 \$ 000	10% Weakening 2024 \$ 000	10% Strengthening 2023 \$ 000	10% Weakening 2023 \$ 000
Euro to US dollars	(18)	29	(26)	47
Sterling to US dollars	(270)	237	(541)	688
Canadian dollar to US dollars	<u>(188)</u>	<u>188</u>	<u>(380)</u>	<u>283</u>

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the financial charges on its debt instruments.

The Group's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due. The Directors consider liquidity risk is mitigated by the strong working capital position, with \$252.1m of current assets, including cash of \$49.7m available to settle liabilities as they fall due.

The following are the contractual maturities (representing undiscounted contractual cash flows) of the Group's financial liabilities:

	Carrying value Total \$ 000	Contractual cash flows				
		Total \$ 000	Within 1 year \$ 000	1-2 years \$ 000	2-5 years \$ 000	Over 5 years \$ 000
At 31 December 2024						
Trade payables	18,762	18,762	18,762	-	-	-
Other payables	330,792	330,792	330,792	-	-	-
Deferred and contingent consideration (i)	67,570	93,432	28,798	44,982	19,652	-
Lease liabilities	<u>51,391</u>	<u>55,011</u>	<u>18,736</u>	<u>15,462</u>	<u>17,721</u>	<u>3,092</u>
Total	<u>468,515</u>	<u>497,997</u>	<u>397,088</u>	<u>60,444</u>	<u>37,373</u>	<u>3,092</u>

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2024 (continued)

28 Financial Instruments and Risk Management (continued)

At 31 December 2023	Carrying value Total \$ 000	Total \$ 000	Contractual cash flows			
			Within 1 year \$ 000	1-2 years \$ 000	2-5 years \$ 000	Over 5 years \$ 000
Trade payables	15,780	15,780	15,780	-	-	-
Other payables	123,792	123,792	123,792	-	-	-
Deferred and contingent consideration (i)	61,627	98,633	59,229	37,273	2,131	-
Loans and borrowings	140,618	140,618	-	-	140,618	-
Loan interest	-	29,163	9,721	9,721	9,721	-
Lease liabilities	51,851	55,867	16,736	12,272	21,448	5,411
Total	393,668	463,853	225,258	59,266	173,918	5,411

(i) Deferred and contingent consideration at 31 December 2024 has arisen on business combinations, and is based on contracted amounts to be paid in the future to sellers under share purchase agreements. In general, in order for contingent consideration to become payable, pre-defined profit and / or revenue targets must be exceeded. On an undiscounted basis, the Group may be liable for deferred and contingent consideration up to a maximum of \$93.4m. For further details see note 17.

29 Related party transactions

The details of key management compensation (being the remuneration of the Directors) are set out in note 9.

The Group has an intercompany loan payable and other intercompany payables to Houting UK Limited as noted in note 17.

	2024 \$ 000	2023 \$ 000
Loans due to related parties	199,384	-
Other amounts payable to related parties	25,653	-
Amounts due to related parties	225,037	-

30 Parent and ultimate parent undertaking

The Company's immediate parent is Houting UK Limited. The ultimate parent is Houting Topco B.V., wholly-owned by EQT's BPEA Fund VIII ("EQT"), and equity co-investors (i) CPP Investments (acting through its wholly-owned subsidiary CPPIB PHI4) and (ii) Rosa Investments). The ultimate controlling party is EQT AB.

31 Events after the Reporting Date

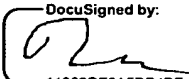
There have been no significant events since the reporting date.

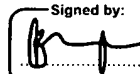
Company Statement of Financial Position as at 31 December 2024

	Note	2024 \$ 000	2023 Re-presented (note 2) \$ 000
Non-current assets			
Right of use assets	7	3,267	4,577
Property, plant and equipment	8	370	536
Deferred tax assets	13	6,571	2,178
Investments in subsidiaries	9	410,056	39,922
Other receivables	10	165,230	378,997
		<u>585,494</u>	<u>426,210</u>
Current assets			
Cash and cash equivalents		-	750
Other receivables	10	3,130	102,109
		<u>3,130</u>	<u>102,859</u>
Current liabilities			
Trade payables		300	540
Other payables	11	42,794	19,688
Lease liabilities	12	1,204	1,193
		<u>44,298</u>	<u>21,421</u>
Net current (liabilities)/assets		<u>(41,168)</u>	<u>81,438</u>
Non-current liabilities			
Deferred tax liabilities	13	839	1,145
Lease liabilities	12	1,859	3,108
		<u>2,698</u>	<u>4,253</u>
Net assets		<u>541,628</u>	<u>503,395</u>
Equity			
Share capital	14	1,099	1,155
Share capital - to be issued	14	-	349
Share premium	14	74,419	64,956
Merger reserve		354,926	359,918
Foreign exchange reserve		-	(21,292)
Shares held in Employee Benefit Trust (EBT)	14	-	(7,251)
Share-based payments reserve		-	90,005
Retained earnings		111,184	15,555
Total equity		<u>541,628</u>	<u>503,395</u>

In accordance with the Companies Act 2006, the Company is availing of the exemption from presenting its individual Statement of comprehensive income to the Annual General Meeting and from filing it with Companies House. The amount of loss after tax dealt with in the parent undertaking is \$37,174k (2023: profit of \$4,222k). The notes from page 63 onwards form an integral part of these Company financial statements.

Approved by the Board on 11 June 2025 and signed on its behalf by:

DocuSigned by:

 11333DF0A5DB4BE...
 Jon Hauck
 Director

Signed by:

 Rob Morgan
 Director

Company Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital \$ 000	Share capital - to be issued \$ 000	Share premium \$ 000	Merger reserve \$ 000	Foreign exchange reserve \$ 000	Shares held in EBT \$ 000	Share-based payments reserve \$ 000	Retained earnings \$ 000	Total \$ 000
At 01 January 2023 (Re-presented) (note 2)	1,139	2,497	56,832	338,202	(34,781)	-	73,786	13,644	451,319
Profit for the year	-	-	-	-	-	-	-	4,222	4,222
Other comprehensive income	-	-	-	-	13,489	-	-	-	13,489
Total comprehensive income	-	-	-	-	13,489	-	-	4,222	17,711
Dividends	-	-	-	-	-	-	-	(2,311)	(2,311)
Cash proceeds arising from share-based payments	5	-	1,577	-	-	-	1,193	-	2,775
Share-based payments expense	-	-	-	-	-	-	23,743	-	23,743
Acquisition-related issuance of shares	11	(2,148)	6,547	21,716	-	-	-	-	26,126
Company funded acquisition of shares	-	-	-	-	-	(7,251)	(8,717)	-	(15,968)
At 31 December 2023 (Re-presented) (note 2)	1,155	349	64,956	359,918	(21,292)	(7,251)	90,005	15,555	503,395

	Share capital \$ 000	Share capital - to be issued \$ 000	Share premium \$ 000	Merger reserve \$ 000	Foreign exchange reserve \$ 000	Shares held in EBT \$ 000	Share-based payments reserve \$ 000	Retained earnings \$ 000	Total \$ 000
At 31 December 2023 (As re-presented) (note 2)	1,155	349	64,956	359,918	(21,292)	(7,251)	90,005	15,555	503,395
Change in functional currency	(119)	5	(4,771)	(14,922)	21,292	(227)	(1,258)	-	-
At 01 January 2024	1,036	354	60,185	344,996	-	(7,478)	88,747	15,555	503,395
Loss for the year	-	-	-	-	-	-	-	(37,174)	(37,174)
Total comprehensive income	-	-	-	-	-	-	-	(37,174)	(37,174)
Dividends	-	-	-	-	-	-	-	(1,737)	(1,737)
Cash proceeds arising from share-based payments	57	-	14,234	-	-	-	3,092	-	17,383
Share-based payments expense	-	-	-	-	-	-	55,620	-	55,620
Acquisition-related issuance of shares	6	(354)	-	9,930	-	-	-	-	9,582
Company funded acquisition of shares	-	-	-	-	-	7,478	(12,919)	-	(5,441)
Transfer between reserves	-	-	-	-	-	-	(134,540)	134,540	-
At 31 December 2024	1,099	-	74,419	354,926	-	-	-	111,184	541,628

Company Statement of Cash Flows for the Year Ended 31 December 2024

	Note	2024 \$ 000	2023 Re-presented (note 2) \$ 000
Cash flows from operating activities			
(Loss)/profit after tax		(37,174)	4,222
Income and expenses not affecting operating cash flows			
Depreciation - property, plant and equipment	8	172	161
Depreciation - right of use assets	7	1,219	1,184
Non-cash movement of other provisions		27,481	-
Fair value movements in deferred consideration related to continuous employment		(3,271)	3,953
Interest expense		4,646	2,212
Share-based payments expense, net of amounts recharged to subsidiary companies		16,346	5,259
Taxation		(4,698)	(562)
Unrealised foreign exchange loss		85	1,553
		<u>41,980</u>	<u>13,760</u>
Changes in operating assets and liabilities			
Decrease in other receivables		367,742	35,732
(Decrease)/increase in trade and other payables		(492)	3,633
		<u>367,250</u>	<u>39,365</u>
Cash generated from operations		367,250	39,365
Income taxes received		-	43
		<u>372,056</u>	<u>57,390</u>
Cash flows from investing activities			
Acquisitions of property plant and equipment	8	(6)	(197)
Funding advanced to subsidiaries		(9,611)	(36,146)
Acquisition of investments	9	(449,290)	-
Disposal of investments to other group companies	9	79,156	-
		<u>(379,751)</u>	<u>(36,343)</u>
Cash flows from financing activities			
Cash proceeds, where EBT shares were utilised for the exercise of share-based payments		3,092	1,193
Payments of principal on lease liabilities	12	(1,195)	(1,467)
Interest paid on principal on lease liabilities	12	(89)	(137)
Company funded acquisition of shares		(5,441)	(15,968)
Shares issued for cash		14,291	1,582
Dividends paid		(1,737)	(2,311)
Interest paid		(1,976)	(3,238)
		<u>6,945</u>	<u>(20,346)</u>
Net cash flows from financing activities		6,945	(20,346)
Net (decrease)/increase in cash and cash equivalents		(750)	701
Cash and cash equivalents at 01 January		750	49
Cash and cash equivalents at 31 December		<u>-</u>	<u>750</u>

Notes to the Company Financial Statements for the Year Ended 31 December 2024

1 Basis of Preparation

The Company financial statements have been prepared in accordance with UK-adopted international accounting standards, and in conformity with the requirements of the Companies Act 2006.

On 01 January 2024, the Company changed its functional and presentational currency to US dollars. See Consolidated Financial Statements Basis of preparation note for further details. Unless otherwise stated, the financial statements have been prepared in thousands (000) and are presented in US dollars (\$).

Please refer to the Group financial statements for additional information concerning the basis of preparation.

2 Significant accounting policies

Intercompany receivables

Intercompany receivables are recognised at amortised cost as they meet the IFRS 9 classification test of being held to collect, and the cash flow characteristics represent solely payments of principal and interest.

The Company applies the general approach to applying the expected credit losses to its related party loans. Under the General Approach, at each reporting date, the Company determines whether there has been a Significant Increase in Credit Risk ("SICR") since initial recognition and whether any balances are credit impaired. This determines the amount, if any, of expected credit losses to be recognised.

Other significant accounting policies

The Company applies consistent accounting policies to those applied by the Group. Please refer to the Group financial statements for disclosure of other relevant accounting policies.

3 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgements

The judgements, apart from those involving estimations, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Company financial statements, are outlined below.

--- **Expected credit loss provision on company receivables from subsidiaries:** As outlined in note 10, the Company has significant receivables from subsidiaries, primarily related to investments in acquisitions. The Directors have taken into account both the ongoing acquisition integration programme and the cash-generating capacity of the Group, in concluding (in note 15) that all such loans are recoverable and the expected credit loss provisions are adequate.

– **Other judgements:** The Company applies consistent judgements to those applied by the Group. To the extent that judgements are relevant to both Group and Company financial statements, please refer to the Group financial statements for other relevant judgements.

4 Auditor statutory disclosure

The audit fee for the Company is outlined in note 5 of the Group financial statements.

5 Dividends and distributable reserves

Details of dividends and distributable reserves of the Company are presented in note 7 of the Group financial statements.

6 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2024 \$ 000	2023 \$ 000
Salaries and related costs	3,334	4,712
Social security costs	572	672
Pension costs	69	151
Share-based payments expense	55,621	23,742
	<u>59,596</u>	<u>29,277</u>
Average number of employees	2024	2023
Operations	3	2
General and administration	8	23
	<u>11</u>	<u>25</u>

Notes to the Company Financial Statements for the Year Ended 31 December 2024 (continued)

7 Right of use assets

The Company has entered into leases, principally relating to property.

	2024 \$ 000	2023 \$ 000
Cost		
At 01 January	6,120	5,722
Exchange rate movement	(74)	398
At 31 December	<u>6,046</u>	<u>6,120</u>
Accumulated depreciation		
At 01 January	1,543	314
Depreciation charge	1,219	1,184
Exchange rate movement	17	45
At 31 December	<u>2,779</u>	<u>1,543</u>
Net book value		
At 01 January	<u>4,577</u>	<u>5,408</u>
At 31 December	<u>3,267</u>	<u>4,577</u>

8 Property, plant and equipment

	Computer and software \$ 000	Office furniture and equipment \$ 000	Leasehold improvements \$ 000	Total \$ 000
Cost or valuation				
At 01 January 2023	300	185	543	1,028
Additions	154	2	41	197
At 31 December 2023	<u>454</u>	<u>187</u>	<u>584</u>	<u>1,225</u>
Additions	-	6	-	6
At 31 December 2024	<u>454</u>	<u>193</u>	<u>584</u>	<u>1,231</u>
Depreciation				
At 01 January 2023	58	161	309	528
Charge for year	130	2	29	161
At 31 December 2023	<u>188</u>	<u>163</u>	<u>338</u>	<u>689</u>
Charge for the year	140	3	29	172
At 31 December 2024	<u>328</u>	<u>166</u>	<u>367</u>	<u>861</u>
Net book value				
At 31 December 2023	<u>266</u>	<u>24</u>	<u>246</u>	<u>536</u>
At 31 December 2024	<u>126</u>	<u>27</u>	<u>217</u>	<u>370</u>

Notes to the Company Financial Statements for the Year Ended 31 December 2024 (continued)

9 Investment in subsidiaries

	2024 \$ 000	2023 \$ 000
Investments	<u>410,056</u>	<u>39,922</u>

Details of the Company's direct and indirect subsidiaries as at 31 December 2024 are set out in note 27 of the Group financial statements.

During the year, the Company, as part of a group re-organisation program to simplify the group structure, received investments amounting to \$449.3m in Group companies and disposed of \$79.2m investments to other group companies, primarily in return for the reduction of inter-company receivables.

10 Other receivables

	2024 \$ 000	2023 \$ 000
Current		
Intercompany receivables (financial assets held at amortised cost, see note 16)	2,264	97,720
Other prepayments	623	4,283
Other receivables	138	64
Tax and social security	<u>105</u>	<u>42</u>
Carrying amount at the end of the year	<u>3,130</u>	<u>102,109</u>

	2024 \$ 000	2023 \$ 000
Non-current		
Intercompany receivables (financial assets held at amortised cost, see note 16)	<u>165,230</u>	<u>378,997</u>

11 Other payables

	2024 \$ 000	2023 \$ 000
Accrued expenses	3,493	4,645
Deferred and contingent consideration related to continuous employment (i)	564	3,953
Other payables	1,127	510
Intercompany payables (note 16)	<u>37,610</u>	<u>10,580</u>
	<u>42,794</u>	<u>19,688</u>

(i) The movement in deferred and contingent consideration during the financial year was as follows:

	2024 \$ 000	2023 \$ 000
Carrying amount at the beginning of the year	3,953	-
Consideration settled by cash	(78)	-
Consideration settled by shares	(26)	-
Fair value movements in deferred consideration related to continuous employment	(3,271)	3,953
Exchange rate movement	<u>(14)</u>	<u>-</u>
Carrying amount at the end of the year	<u>564</u>	<u>3,953</u>

Notes to the Company Financial Statements for the Year Ended 31 December 2024 (continued)

12 Lease liabilities

The Company has entered into leases principally relating to property. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

The movement in lease liabilities during the financial year was as follows:

	2024 \$ 000	2023 \$ 000
Carrying amount at the beginning of the year	4,301	5,451
Unwinding of discounted liabilities - lease liabilities	89	137
Payment of principal and interest on lease liabilities	(1,284)	(1,604)
Exchange rate movement	(43)	317
Carrying amount at the end of the year	<u>3,063</u>	<u>4,301</u>

	2024 \$ 000	2024 \$ 000	2024 \$ 000	2023 \$ 000	2023 \$ 000	2023 \$ 000
Maturity analysis of lease liabilities	Lease payments	Finance charges	Lease liabilities	Lease payments	Finance charges	Lease liabilities
Current						
Not later than one year	1,263	59	1,204	1,281	88	1,193
Non-current						
Later than one year and not later than five years	<u>1,896</u>	<u>37</u>	<u>1,859</u>	<u>3,205</u>	<u>97</u>	<u>3,108</u>
At 31 December	<u>3,159</u>	<u>96</u>	<u>3,063</u>	<u>4,486</u>	<u>185</u>	<u>4,301</u>

13 Deferred tax

	2024 \$ 000	2023 \$ 000
Deferred tax assets		
Deferred tax arising on lease liabilities	839	1,145
Other deferred tax	<u>5,732</u>	<u>1,033</u>
	<u>6,571</u>	<u>2,178</u>

	2024 \$ 000	2023 \$ 000
Deferred tax liabilities		
Deferred tax arising on right of use assets	<u>839</u>	<u>1,145</u>
	<u>839</u>	<u>1,145</u>

14 Share capital

Details of the share capital and other equity of the Company are presented in note 22 of the Group financial statements.

15 Risk management

A description of the Group's financial risk management objectives and policies is provided in note 28 to the Group financial statements. These financial risk management objectives and policies also apply to the Company.

As presented in note 10, receivables from subsidiaries relating to investments in acquisitions comprise term loans extended to subsidiaries, while receivables from subsidiaries relating to trading activities comprise trading balances repayable on demand. Balances are analysed in terms of the risk profile of the subsidiary.

The Directors have assessed the ongoing expected recovery strategy of loans due from subsidiaries of \$48.1m (2023: \$379.0m), within Stage 1 of the IFRS 9 impairment assessment model. Having noted that such loans are within their repayment terms, the Directors have concluded that no provision for expected credit losses is required (2023: \$nil).

Separately, the Company has balances of \$2.3m (2023: \$97.7m), which are technically repayable upon demand. These loans are within Stage 3 of the IFRS 9 impairment assessment model. The Directors have reviewed in detail the recovery strategy in relation to these loans and concluded that none are credit-impaired, and therefore no expected credit loss has been recognised in relation to these balances (2023: \$nil).

Notes to the Company Financial Statements for the Year Ended 31 December 2024 (continued)

15 Risk management (continued)

The following are the contractual maturities (representing undiscounted contractual cash flows) of the Company's financial liabilities:

At 31 December 2024	Carrying value	Total	Contractual cash flows			
	\$ 000		\$ 000	Within 1 year \$ 000	1-2 years \$ 000	2-5 years \$ 000
Trade payables	300	300	300	-	-	-
Deferred and contingent consideration	564	564	564	-	-	-
Other payables	42,230	42,230	42,230	-	-	-
Lease liabilities	3,063	3,159	1,263	1,263	633	-
Total	46,157	46,253	44,357	1,263	633	-

At 31 December 2023	Carrying value	Total	Contractual cash flows			
	\$ 000		\$ 000	Within 1 year \$ 000	1-2 years \$ 000	2-5 years \$ 000
Trade payables	540	540	540	-	-	-
Deferred and contingent consideration	3,953	5,951	3,953	1,998	-	-
Other payables	15,735	15,735	15,735	-	-	-
Lease liabilities	4,301	4,486	1,281	3,205	-	-
Total	24,529	26,712	21,509	5,203	-	-

16 Related parties

As at 31 December 2024 and 2023, the Company had amounts receivable from its subsidiaries as follows:

	2024 \$ 000	2023 \$ 000
Receivables from subsidiaries related to investment in acquisitions	48,061	378,997
Non-current receivables from subsidiaries relating to trading activities	117,169	-
Receivables from subsidiaries relating to trading activities	2,264	97,720
	167,494	476,717

	2024 \$ 000	2023 \$ 000
Non-current (note 10)	165,230	378,997
Current (note 10)	2,264	97,720
	167,494	476,717

As at 31 December 2024 and 2023, the Company had amounts payable to its subsidiaries and related parties as follows:

	2024 \$ 000	2023 \$ 000
Amounts due to related parties (note 11)	25,653	-
Amounts due to other group companies (note 11)	11,957	10,580
	37,610	10,580