

Registered Number: 01306335



Imagination Technologies Limited

Annual Report and Financial Statements
for the year ended 31 December 2023

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Company Information

Directors

Ray Bingham
Simon Beresford-Wylie
John Richardson
Michael Trzuppek

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Independent Auditor

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Strategic Report

Introduction

The Directors present their Strategic Report for the Company for the year ended 31 December 2023.

This strategic report is for Imagination Technologies Limited (the "Company") which continued to be the principal trading subsidiary of CBFI Investment Limited ("CBFI") and a wholly owned subsidiary of Imagination Technologies Group Limited ("ITGL"). CBFI and its subsidiaries are together herein referred to as "Imagination" or the "Group". The Company's parent, ITGL, holds the Group's primary Board of Directors and is responsible for the primary governance that follows. This Annual Report is prepared with the Company as its primary focus. However, where the focus of the Company and the Group are the same or indistinguishable, the Group is referenced. The Company and the Group are headquartered in Kings Langley, United Kingdom.

CBFI is a wholly owned subsidiary of Canyon Bridge International Holding Investment Limited, which is controlled by Canyon Bridge Fund I, LP (collectively referred to as "Canyon Bridge" or the "Parent").

This Strategic report has been prepared to provide information to shareholders to assess how the directors have performed their duty to promote the success of the company while having regard to matters set out in the Section 172(1) Statement included in this report.

The Strategic report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Business model, strategy and products

Imagination licenses semiconductor processor Intellectual property ("IP") together with software and tools that our customers incorporate into their semiconductor chip designs, typically in return for an upfront license fee, per-unit royalties when the chip enters production, and support and maintenance services. The business performs research and development, marketing, and administrative tasks to support the creation and maintenance of the Company's IP.

Our primary IP solutions for the year consisted of the following key products:

- *GPU IP Solutions.* Graphics processor unit ("GPU") IP to enable scalable, power-efficient and high-performance 3D graphics, including advanced ray tracing and high-performance GPU compute, all in the same unified engine.
- *CPU IP Solutions.* A range of power-efficient central processor unit ("CPU") IP based on the RISC-V instruction set architecture, to address next-generation control, compute and heterogeneous compute needs for a range of market applications.
- *AI IP Solutions.* Artificial intelligence ("AI") IP to bring processing capabilities to accelerate neural networks for a broad range of machine learning use cases, including autonomous driving and cloud inference and training.

Heterogeneous compute is a key factor in our product strategy. We are designing semiconductor IP solutions that can serve as the building blocks that allow us to meet growing demand for heterogeneous compute capabilities. Heterogeneous systems-on-chips ("SoC"s) combine different types of processing units within a single SoC in order to meet performance requirements within a limited power and thermal budget.

In regards to future developments, the Company is expected to operate in this manner for the foreseeable future with no intended changes to the business with continued focus on cost optimization, revenue growth, and investments in research and development of IP.

Strategic Report (continued)

General business review

The Company has a strong, differentiated technology vision anchored by ubiquitous intelligence, scalability, heterogeneous compute and system-first mindset.

The Company has positioned itself as a leader in the automotive industry by winning key partnerships including leading autonomous vehicles companies in the year.

The Company continues expanding SoC capabilities of GPUs, while investing in the RISC-V CPUs, which is a standard instruction set architecture. This will expand a wide range of uses and an alternative to incumbents in the market.

Annual revenue was impacted by US and UK export controls on semiconductor IP with certain customers based in China and the economic environment in China that stymied top-line revenue growth. This was mitigated with cost control including actions to align costs with anticipated revenues and corresponding cash flows. Cost control actions including a reduction in force were taken in the fourth quarter of 2023, which will reduce operating cost in 2024.

In the current year the Group entered into a revolving credit facility ("RCF") of £35.0 million, and the Company negotiated a prepayment from a key customer for £39.7 million (\$51.0 million) further strengthening the Company's liquidity position. In 2023 the Company initiated a number of restructuring activities and operating expense reviews to align cost to revenue and anticipated revenues of the Company.

Major conflicts in the world such as the one between Russia and Ukraine and the escalating tensions in the Middle East did not have a direct impact on the business performance in the year. The indirect effect to the semiconductor industry could be global supply chain disruption, increase of energy cost, increase in price of raw material for our customers, and consumer confidence. The Company monitors the impacts of external factors such as these on the semiconductor industry and adjusts the business strategy accordingly.

Financial review

Revenue increased in 2023 by £4.3 million (3.6%) to £124.6 million primarily due to delivery of key contracts in the automotive and autonomous vehicle markets. License revenue increased by £4.1 million and royalty revenue increased by £0.2 million.

Profit before interest and taxation in 2023 decreased by £4.8 million (26.1%) to a profit of £13.5 million primarily due to an increase of research and development expense of £16.5 million, restructuring of £6.4 million; partially offset by a change in fair value of foreign currency derivatives of £4.7 million.

Cash and cash equivalents increased in 2023 by £28.3 million (196.6%) to £42.7 million primarily due to a negotiated prepayment from a key customer.

Correction of errors

During 2023, the Company determined that the financial statements for the prior period contained errors related to application of IFRS 16 Leases to a lease modification and the valuation of foreign currency derivative instruments. The impact on the Income Statement for the period ended 31 December 2022 resulted in an increase of £1.0 million in profit for the financial year. Refer to Note 23 for details of the error corrections and prior period adjustments.

Strategic Report (continued)**Key performance indicators**

The Company monitors a range of financial and non-financial Key Performance Indicators (KPIs), some of which are not disclosed due to the commercial sensitivity of the data. The select financial metrics are noted below:

- Revenue and related pipeline and bookings
- Adjusted EBITDA, profit before interest and taxation and related functional cost measured against an annual plan
- Cash balance and days outstanding of receivables

The Directors are satisfied with the performance based on the selected financial indicators.

The Company's key non-financial performance indicator is its workforce. The table below indicates the directors and employees as at 31 December 2023:

As at 31 December 2023	Male	Female	Total
Directors of the Company	4	—	4
Executive Management Board not included in the above	5	—	5
All other employees of the group	428	83	511
Total Employees	437	83	520

The employee numbers are absolute and not full-time equivalents.

The net decrease in total employees in 2023 by 39 (7%) was primarily due to restructuring initiatives and attrition.

Principal risks and uncertainties

The Group places great importance on the identification and effective mitigation of its risks by operating a systematic and controlled approach to risk management with the goal of ensuring its long-term sustainability and de-risking its ability to deliver its objectives.

The following tables represent the risks that the Board of Directors (the "Board") considers may have a potential material impact on the Group. These risks are representative of those on the Group's register of strategic and escalated risks which is used to actively manage the Group's risk profile at Board and Executive Management Board ("EMB") level.

Strategic Report (continued)

<p><u>Geopolitical & Trade Risks</u></p> <p>With the Group operating across a range of geographies, it is exposed to risk created by an increasingly complex geopolitical and trade environment.</p>	
<p>Geopolitical and trade risks include:</p> <ul style="list-style-type: none"> • The introduction of tighter Export Control regulations could impact the Group's ability to freely license its IP to customers in all geographies; • Adverse macroeconomic conditions could reduce the Group's ability to access capital should it be required for the acceleration of the Group's strategy; and • Adverse macroeconomic conditions could lead to an increased number of customers cancelling projects or going out of business, reducing the Group's revenues and customer base. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Diversification of customer base across multiple geographies; • Application of open and general export licenses in accordance with local regulations; • Active engagement with HM Government to help shape future Export Control policy; and • Monitoring of geopolitical developments, particularly those regarding US/China relations.
<p><u>Customer & Market Risks</u></p> <p>As the Group's customer base is comprised of a relatively small number of high value customers it is exposed to risk around customer concentration and market consolidation.</p>	
<p>Risks relating to customers include:</p> <ul style="list-style-type: none"> • Consolidation in the market could reduce the Group's customer base; • Failure of customer projects could impact the Group's ability to generate future royalty revenues; and • Disruptions in the Group's customer's supply chain could result in cancelled projects or delayed royalty revenues. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Diversification of customer base across multiple geographies; • Diversification of customer base across multiple industries; and • Front-loading of payments from customers that pose a potential credit risk.

Strategic Report (continued)

<p><u>Strategy & Product Risks</u></p> <p>As IP development requires significant investment before being taken to market the Group is exposed to a risk that its strategy does not deliver the expected return on investment.</p>	
<p>Risks relating to strategy include:</p> <ul style="list-style-type: none"> • Rapidly developing market requirements could result in the Group's IP portfolio being misaligned with the market; and • High levels of innovation and competitiveness in the semiconductor industry could result in the Group losing its competitive advantage should it fail to continue to develop cutting edge technology. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Comprehensive strategy planning process; • Annual review of strategy to reaffirm its validity and allow for course corrections; • Engagement with customers to validate the direction of the Group's IP portfolio; and • Continuous horizon scanning to identify risks or opportunities for the strategy.
<p><u>Intellectual Property Risks</u></p> <p>As the Group's business model is based around the development and licensing of proprietary IP, the Group is exposed to risks around the misuse of its intellectual property and potential IP litigation.</p>	
<p>Risks relating to IP include:</p> <ul style="list-style-type: none"> • The unlicensed use of Imagination's IP could result in lost revenue; • Patent-related threats from non-practising entities could result in the Group being drawn into patent litigation; and • As contractual indemnities are provided to customers covering IP ownership, third party litigation against the Group's customers could result in financial exposure. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Building and maintaining a worldwide portfolio of strategically important patents; • Membership of standardization bodies and tracking industry movements to predict and avoid patent risks; • Strong relationships with external counsel to enable us to act quickly and defend our position; and • Working closely with customers to respond quickly to potential threats.

Strategic Report (continued)

<p><u>Cyber Risks</u></p> <p>As the Group's activities are largely digital and rely on a global, connected IT infrastructure, the group is at risk from Cyber attack and other similar risks.</p>	
<p>Cyber risks include:</p> <ul style="list-style-type: none"> • Cyber attack, including malware infection or ransomware could result in reputation damage, data loss or significant downtime. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Use of next generation firewall protection worldwide; • Authentication processes including multi-factor authentication for VPN and cloud based SaaS; • Improved protection of confidential data on portable computers including encryption, data-loss prevention and next generation anti-ransomware; • Systematic software patching routines to close security vulnerabilities; • Dedicated Security Operations capability in wider IT team; • Proactive network perimeter scanning for vulnerabilities; • Cyber liability insurance in place; • Use of third party audits; • Compulsory staff training and education initiatives; and • Business continuity and disaster recovery structures in place.
<p><u>Infrastructure Risks</u></p> <p>As the Group relies on its IT infrastructure to carry out its engineering efforts, the Group is at risk of loss of operational capabilities due to disruption to its IT infrastructure.</p>	
<p>Infrastructure risks include:</p> <ul style="list-style-type: none"> • A disaster or incident affecting the Group's data centre could lead to loss of operational capabilities; and • Restoration of the Group's infrastructure, including its data centre could result in significant cost incurred by the Group. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Comprehensive strategy planning process; • State of the art data centre protections (fire suppression, etc); • Property Damage Business Interruption insurance in place; • Key systems split between locations; • Cloud providers for core, non-Engineering systems; and • Business continuity and disaster recovery structures in place.

Strategic Report (continued)

<p><u>Foreign Exchange ('FX') Risks</u></p> <p>As the Group's revenues are contracted in US Dollars, but costs are in Pounds Sterling the group is vulnerable to FX risks.</p>	
<p>FX risks include:</p> <ul style="list-style-type: none"> • Weakening of USD against GBP could adversely impact performance against the Group's annual operating plan; and • Foreign exchange derivatives could be unable to adequately protect against extreme volatility in exchange rates. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Comprehensive strategy planning process; • Close monitoring of foreign exchange movements; and • Foreign exchange economic hedging strategy in place.
<p><u>Talent & People Risks</u></p> <p>As the semiconductor talent market is extremely competitive, the Group is exposed to risks around attracting and retaining talent.</p>	
<p>Risks associated with talent include:</p> <ul style="list-style-type: none"> • Approaches from competitors could lead to loss of key talent; • Salary inflation may grow at rates greater than levels factored into the strategy which could result in the Group being unable to retain talent; and • Strong competition in the talent market could result in the Group being unable to attract talent. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • Competitive remuneration package designed to attract, retain and reward employees; • Restricted Stock Units granted to critical engineering talent; • Hybrid and flexible working arrangement globally; and • Focus on employee communication and engagement.
<p><u>Liquidity Risks</u></p> <p>As the Group invests significant resources in the development of products that may take several years to generate revenue, the Group is at risk of having insufficient resources to meet its financial obligations should it fail to successfully license its technology.</p>	
<p>Risks associated with liquidity:</p> <ul style="list-style-type: none"> • Insufficient cash to meet day-to-day obligations as they fall due. 	<p>How we manage these risks:</p> <ul style="list-style-type: none"> • The Group maintain balances of cash and cash equivalents in short-term deposits or similar cash equivalents, such that highly liquid resources exceed expected cash flows in the short term; and • Liquidity forecasts are prepared and reviewed including sensitivities to ensure short-term and medium-term liquidity is maintained, and long-term projections to identify long-term strategic funding requirements.

Strategic Report (continued)

The Section 172(1) Statement and Corporate and Social Responsibility Report are those of CBFi, the UK parent of the Company which presents consolidated group financial statements. References to Company and Group are from a CBFi perspective and the Board and committees are from an ITGL perspective, not Imagination Technologies Limited.

Section 172(1) Statement

The Board views the Section 172(1) reporting requirement as an opportunity to explain how dialogue with stakeholders has informed its decision-making during the year. An overview of how the Board has performed its duty under the six categories of Section 172(1) of the Companies Act 2006 is given below.

(a) the likely consequences of any decision in the long term; & (e) the desirability of the company maintaining a reputation for high standards of business conduct;

The Board maintains careful oversight over the key decisions likely to have a long-term impact on its stakeholders. Central to this is the annual budgeting cycle, whereby the Board carefully reviews and approves the Group's annual operating plan. In addition to the annual plan, the Board also exercises oversight over the Group's longer term strategic planning. During each year, the Group carries out a formal review of the strategic plan that covers as a minimum the next 5 years. The strategic review in 2023 was subject to significant scrutiny by the Board and was approved on 18 October 2023.

As part of this review, the Board approved the discontinuation the Ethernet Packet Processor ("EPP") and the stand-alone Neural Network Accelerator ("NNA") product lines. These changes do not meet the accounting definition of discontinued operations. While these decisions have an impact on the Group's stakeholders (in particular, its employees as discussed in section b below), the Board was satisfied that the decisions were in the best interest of the long-term sustainability of the Group.

(b) the interests of the company's employees;

Due to challenging market conditions facing the entire Semiconductor industry, the Board was compelled to make several difficult decisions during the course of the financial year. The most significant of these was an overall reduction in headcount of approximately 20%. This decision was made in consultation with the Group's Executive Management Board, and with consideration of the interests of its workforce as a whole and the standing of the Group with its external stakeholders. The Group took all reasonable measures to ensure the reduction in force was done fairly and in accordance with the legal requirements and best practice in each affected geography. In the UK, this included collective consultation with elected employee representatives and considering their views in good faith as part of this process.

The Group continues to prioritise clear communication with its employees and delivers regular updates through its internal staff 'Inside Imagination' emails and monthly All-Hands calls. The Group continues to maintain a hybrid working model, encouraging employees to attend office sites multiple times a week in order to foster deeper collaboration and promote greater employee engagement and well-being. The Group's short-term bonus plans in the fiscal year ended 31 December 2023 also included an element based on employee engagement for individuals in leadership roles.

(c) the need to foster the company's business relationships with suppliers, customers and others;

The Board places great importance on the Group's relationship with external parties and sees active and positive engagement with its customer base as paramount, not only to the Group's licensing activities but also to the development of its strategy and product roadmaps.

The Group has a relatively small number of suppliers, and has implemented a new procure to pay process to ensure supplier engagement is carried out with due oversight and control.

Strategic Report (continued)

The Board continues to monitor a range of strategic options for the business and maintains an active relationship with a number of banking partners and advisors. In June, the Group entered into a £35.0 million revolving credit facility with a number of these banking partners to provide short term liquidity and improve the financial resilience of the Group. In the 3rd quarter, the Group negotiated a prepayment from a key customer for £39.7 million (\$51.0 million) further strengthening the Company's liquidity position.

The Group maintains an active engagement with the UK Government, particularly around the UK's semiconductor strategy.

(d) the impact of the company's operations on the community and the environment;

The Group recognises the importance of sustainable, responsible business and exceeds those measures required for a private entity owned business. As part of its focus on sustainability, the Board participates in the Group's Environmental, Social, and Governance ("ESG") committee which is chaired by Board director, John Kao. The Group publishes a sustainability report annually that details the impact of its operations on the community and environment and is aligned with TCFD (voluntary guidelines issued by the Task Force on Climate-Related Financial Disclosures) and GRI (Global Reporting Initiative) reporting requirements.

(f) the need to act fairly as between members of the company.

While the Group only has one shareholder today, it maintains robust governance measures as defined within the Group's Corporate Governance Handbook. In support of this, 50% of the Group's directors (excluding the Chair) are considered to be independent.

Strategic Report (continued)**Table of key decisions and stakeholders**

The following table highlights the Board's significant actions in the year ended 31 December 2023 with regard to the requirements of Section 172(1):

Category	Decision	Stakeholders engaged
Strategy	Discontinuation of EPP product line	Owners, Board of Directors, Employees (Executive Management Board and selected others)
	Discontinuation of stand-alone NNA product line	Owners, Board of Directors, Employees (Executive Management Board and selected others)
	Development of new strategic plan	Owners, Employees, Customers, Industry
	Approval of new strategic plan	Board of Directors
	Development of strategic options	Owners, Board of Directors, Employees (Executive Management Board and selected others)
People	Consolidation of non-engineering functions	Owners, Board of Directors, Employees (Executive Management Board and selected others)
	Reduction in force	Owners, Board of Directors, Employees (Executive Management Board and selected others)
	Organisational changes amongst executive management	Owners, Board of Directors, Employees (Executive Management Board and selected others)
Finance	Establishment of Revolving Credit Facility	Owners, Board of Directors, Executive Management Board and other senior members of the Finance function
	Approval of prepayment with a key customer	Owners, Board of Directors, Employees (Executive Management Board and selected others)
Property	Changes to property portfolio	Employees and Customers

Based on the above information the Directors have concluded that they have acted in a way that promotes the business and fulfils the Directors responsibilities as it relates to Companies Act 2006, Section 172(1).

Strategic Report (continued)

Corporate and Social Responsibility Report ("CSR")

The Group considers environmental, social and governance factors as part of its regular decision making process and seeks to ensure that respect for the environment, its employee's labour rights, and providing equal opportunities is reflected in all its policies.

The Group sees technology as playing a key role in overcoming some of the most significant challenges we face today. From hyper-efficient data centres, through embedded intelligence in agriculture and industry, to autonomous vehicles rewriting the entire model of vehicle ownership, the technology that the Group creates and licenses to its customers can help enable an era of more sustainable technologies. To ensure a focus is maintained on sustainable business and ESG, the Group has established an ESG Steering Committee and has appointed Board Director, John Kao as Chair of the Committee.

Relevant reporting such as the Group's sustainability report, gender pay gap report, anti-modern slavery statement, CSR report and Corporate Governance manual can be found on the www.imaginationtech.com website.

Environment

The Group believes technology is key to a sustainable future and views the IP business model as an inherently positive one from an environmental perspective. As the Group's products are designed to be inherently low-powered and high performance the multiplier effect generated by licensing the Group's IP to multiple customers is significant. This multiplier effect is a result of the Group's low energy, high efficiency products being used in a wider range of solutions and the emissions saved by our customers from not needing to develop their own IP solutions.

The Group's environmental impact on the whole is low with its emissions coming mainly from the use of electricity in its offices and air travel. The Group is headquartered in Kings Langley, occupying a building which has a BREEAM rating of 'Excellent' and the maintenance regime is such that this level of award has been maintained throughout its occupancy. The Group owns and operates a dedicated data centre to meet its considerable IT requirements. The data hall is supported by a highly efficient electrical distribution system that utilises state of the art static UPS systems to maximise energy efficiency. A low energy cooling solution has also been adopted. In the UK the Group continues to source renewable energy in locations where it has operational control. With greater use of enhanced business technology such as video conferencing, and tighter management of travel, the Group aims to eliminate all non-essential travel and minimise its own carbon footprint.

The Group has committed to transparent reporting of its emissions in alignment with TCFD and GRI reporting standards in its annual Sustainability report.

Social

The Group is committed to creating a workplace founded on equality, fairness and social mindedness in all of its locations. The Group is dependent on the continued contribution of its employees and, as a global business, values people from all cultures, nationalities, religion and ethnicities irrespective of characteristics such as age, gender, marital status, sexual orientation or physical or mental disability. The Group looks to underpin this with a commitment to continually strengthen its reward structures, provide transparency into processes that relate to its workforce and report on its overall gender pay gap. Responsibility for this activity rests with the Chief Human Resources Officer ("CHRO"). The Group encourages open discussions and innovation across its organisation through internal communication channels, such as Viva Engage (Yammer) and regular All Hands meetings.

Strategic Report (continued)

The Group looks to have a positive impact on society and has a CSR Committee in place with meetings attended by employees based in multiple locations in the UK and overseas. These meetings take place throughout the year with the aim of streamlining our social and charitable offerings to local communities and local social networks. All employees are encouraged to get involved in charitable activities. CSR champions encourage engagement on internal platforms such as Viva. Responsibility for CSR activity rests with the General Counsel.

The Group focuses on supporting local communities and in particular has helped charities such as The Akshaya Patra Foundation, British Red Cross, and MIND. In 2023, the Group renewed its status as an official business partner of DENS, a charity local to the Group's Kings Langley Headquarters. As part of a government initiative in India, the Group has made donations to various charities and causes in the region, including supporting an all-women's college and local school. The Group has also engaged with schools local to the Group's Kings Langley and Wrocław offices to promote the engineering sector and has supported local green initiatives such as sponsoring recycling campaigns.

In total the Group has made charitable donations of £22 thousand through its CSR activities in 2023.

For further information, please refer to the CSR report found on our website, www.imaginationtech.com.

Governance

The Group is committed to the principles of good corporate governance. The Group has clearly defined roles and responsibilities throughout its organisation and delegation of authority is in place to ensure all staff are empowered to carry out their work. The Group acts ethically, with integrity in all its business dealings and relationships. We have in place a Code of Conduct which supports the Group's actions. The Group is also committed to transparency in its business, in its approach to modern slavery, and to implementing and enforcing systems and controls designed to ensure modern slavery is not taking place in its business or in any of its supply chains. The Group has regular training via its compliance hub for all staff on matters relating to:

- Anti-Bribery, Corruption and Fraud.
- Code of Conduct.
- Competition Compliance.
- Confidential Information.
- Cybersecurity.
- Data Protection & Privacy.
- Export Control.
- Partner Due Diligence.
- Modern Slavery.
- Whistleblowing.

Imagination's governance structure is outlined in a Corporate Governance Manual which documents its procedural rules for decision-making, delegations and authorities for spending commitments and signing contracts. Other measures in place to ensure good governance at board level include:

- 50% of Imagination's Board (excluding the Chair) is comprised of independent Non-Executive Directors whose role is to provide constructive challenge, strategic guidance and hold the executive management to account.
- Imagination's Board has appointed a Lead Independent Director (LID), Sir Peter Bonfield.

Strategic Report (continued)

- Imagination's Board has constituted an Audit & Risk Committee, chaired by Carol Chesney, whose responsibilities include:
 - Overseeing the relationship with the external auditor, including recommending the appointment of the external auditor to the Board for approval;
 - Monitoring and reviewing the integrity of financial statements of the Group and its members, including the annual report and accounts;
 - The appointment, compensation, retention and oversight of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit services;
 - Keeping under review the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems;
 - Keeping under review the adequacy and effectiveness of the Group's whistleblowing, probity, prevention of bribery and anti-money laundering controls and systems.
- Imagination's Board has constituted a Compensation Committee to deal with matters related to the remuneration of Directors and senior management of the Group and to support Imagination's Board regarding decisions on these matters. The Compensation Committee's responsibilities include:
 - Developing and making recommendations to Imagination's Board regarding the remuneration philosophy, principles, and remuneration system of the Group;
 - Developing and making recommendations to Imagination's Board regarding the level of compensation for members of Imagination's Board;
 - Approving the individual remuneration packages of each member of Imagination's Executive Management Board;
 - Approving yearly achievements within the Executive and Leadership Bonus Plans and Group Bonus Plan and, in exceptional circumstances recommend for Imagination's Board approval any payments at an aggregate level where Group financial objectives have not been achieved.

Strategic Report (continued)

Approval

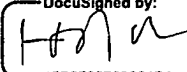
This Strategic Report has been prepared solely to provide additional information to the shareholder to assess the Group's strategies and the potential for those strategies to succeed.

The Strategic Report contains forward-looking statements. These forward-looking statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Directors, in preparing this Strategic Report, have complied with section 414c of the Companies Act 2006.

This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to CBF Investment Limited and its subsidiary undertakings when viewed as a whole.

This report was approved by the Board of Directors on 21 June 2024 and signed on its behalf by:

DocuSigned by:

15B3765788064BA...

Ray Bingham
Director

Directors' Report

The Directors present their report and audited Financial Statements for the year ended 31 December 2023.

The Board has prepared a Strategic Report including a general business review, which provides an overview of the development and performance of the Group's business to 31 December 2023. Certain information required to be included in the Directors' Report can be found in other sections of the Financial Statements as described below. All information presented in these sections is incorporated by reference into this Directors' Report and is deemed to form part of this report:

- Review of the performance and future development of the Company, Strategic Report, pages 2 to 3.
- Principal risks and uncertainties, pages 3 to 7.
- Employment matters, pages 17 to 18.
- Significant events since the Statement of Financial Position date are disclosed in Note 25 in the notes to the Financial Statements.

Directors

The following Directors served during the financial year:

Ray Bingham

Simon Beresford-Wylie

John Richardson

Michael Trzuppek

The Group has made qualifying third party indemnity provisions for the benefit of the Company's Directors during the year, which remain in force as at the reporting date.

Going concern

The Financial Statements have been prepared on a going concern basis. The Directors have prepared the going concern assessment and concluded that the Company will maintain liquidity while realising assets and satisfying liabilities in the normal course of business to 30 June 2025 (the "going concern period") being at least 12 months from the date the financial statements are authorised for issue.

In assessing the appropriateness of the going concern basis, the Directors have considered the following:

- Current macroeconomic and geopolitical factors, including the continuing conflict between Russia and Ukraine, escalating tensions in the Middle East, export control restrictions, global economic instability, volatility in the global financial markets, and inflation. The indirect effect to the semiconductor industry could be global supply chain disruption, increase of energy cost, increase prices of raw materials for our customers, and consumer confidence. The Company monitors the impacts of external factors such as these on the semiconductor industry and adjusts the business strategy accordingly.
- An assessment of the Company's liabilities includes legal provisions and other contingent liabilities.
- Review of the Company's forecast cash flows included in the annual operating plan for FY 2024 and extended to 30 June 2025 via the strategic plan (the "base case").
- Review of stress test cases whereby the base case was sensitised for:
 - forecast licence revenues in the going concern period being reduced by 10%; and
 - operating costs in the going concern period increased by 5%.
- The utilisation of the RCF was not assumed within the going concern period assessment due to the financial covenant restrictions such as net debt and interest coverage ratio.

Directors' Report (continued)

Under the base case and the stress test cases the Company is able to meet liabilities as they fall due and operate within available facilities throughout the going concern period.

In a scenario where the Company performs below the stress test cases, the Directors note the actions available to management to maintain sufficient cash flows through measures including but not limited to cost savings, deferrals in planned capital expenditures, sale of freehold assets, and seeking an incremental equity raise. In addition, management could seek to bring forward Research and Development Expenditure Credit ("RDEC") cash receipts through alternative financing for the RDEC Claim.

As at 31 December 2023, the Company's parent, ITGL, had outstanding borrowings of £11.8 million (\$15.0 million) under an interest-free term loan facility with the Parent denominated in US Dollar currency. In addition, as at 31 December 2023, ITGL's parent, CBFi, had outstanding borrowings of £551.7 million from the Parent, Canyon Bridge Fund I, LP to facilitate the acquisition of Imagination.

As set out in Note 16 of the consolidated financial statements of CBFi, these borrowings are contractually repayable on demand, however the Directors have received a letter of support from Canyon Bridge whereby Canyon Bridge will not seek repayment of the facilities for a period of at least 15 months from the date of signing of these Financial Statements. The only exception is the repayment of the working capital facility, which is predicated on the repayment being affordable to the Group.

Canyon Bridge has also indicated its intent to provide further funding of support should it be required during the going concern period.

Based on the above, the Directors are satisfied of the Company's ability to continue as a going concern for the foreseeable future and that no material uncertainties have been identified in connection with its ability to continue as a going concern.

Research and development

The continuing cost of research and development expenditure and advanced technology projects charged directly to the Income Statement in 2023 was £73.7 million (2022: £57.3 million) for continuing operations, net of £12.4 million (2022: £13.8 million) of capitalised development costs. An indication of likely future developments in the business of the Company and details of research and development activities are included in the Strategic Report.

Political donations

No political donations were made during 2023 (2022: nil). The Group has an established policy of not making donations to any political party, representative or candidate in any part of the world.

Branches outside the UK

The Company has branches in Wroclaw, Poland and Shenzhen, China.

Financial risk management objectives and policies

Details of the Group's financial risk management objectives and policies are set out within Note 20 to the Consolidated Financial Statements of CBFi along with extended details of the Group's exposure to market risk, credit and liquidity risk. A summary of the considerations in respect of these risks is included below:

Credit risk – The Group is exposed to credit risk arising from cash and cash equivalents, derivative financial instruments, trade and other receivables. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment in liquid funds. The Group limits its exposure to credit

Directors' Report (continued)

risk by only investing in liquid securities and only with counter parties that have a high credit rating. Trade receivables are presented net of expected credit loss.

Market risk – the risk the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group monitors trends in the market and incorporates this into an annual operating plan, and subsequently forecasts through the year to capture any changes in market conditions.

Interest rate risk - the risk the Company is exposed to cash flow interest rate risk from its revolving credit facility. The interest rate is based on a variable rate linked to the Sterling Overnight Index Average ("SONIA") for GBP borrowings and Secured Overnight Financing Rate ("SOFR") for USD borrowings plus a margin for the period the borrowing is outstanding. As at 31 December 2023 the full amount of the RCF was undrawn. The interest coverage ratio is also impacted by changes in the SOFR.

Foreign exchange risk – the risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's is predominantly exposed to currency risk on its revenue contracts. Revenue contracts with customers are denominated in U.S. dollars which exposes revenues and the related trade receivables to fluctuations in foreign exchange rates. The company manages this risk by comprehensive strategy planning process; close monitoring of foreign exchange movements; and foreign exchange economic hedging strategy in place. Changes in foreign exchange rates between the U.S. dollar and the British pound sterling impact the fair value and ultimate settlement of foreign currency derivatives.

Liquidity risk – the risk that the Group will have insufficient resources to meet its financial obligations as they fall due. This is true of normal market conditions but also of negative projections against expected outcomes. To mitigate this risk, management has developed processes and methods of measurement including liquidity forecasts to ensure the short-term and medium-term liquidity is maintained; and on a long-term projection basis, for the purpose of identifying long-term strategic funding requirements. To minimise this risk the Group only invests funds in liquid securities. As a contingency, the Group entered into a £35.0 million revolving credit facility inclusive of a £3.0 million overdraft. The revolving credit facility is subject to certain covenants such as net debt and interest coverage ratios.

Share capital

Details of the issued share capital are shown in Note 20, which is incorporated and deemed to be part of this annual report. The Company has a single class of ordinary shares which carry no rights to fixed income. Each share carries the right to one vote at general meetings of the Company. As at 31 December 2023, there were 14,161,291 ordinary shares in issue which were fully paid.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

Dividends

The Directors do not recommend the payment of a dividend for 2023. (2022: nil).

Employment Policies

Through its diversity policy, the Company seeks to ensure that every employee, without exception, is treated equally and fairly.

Directors' Report (continued)

The Company's policies and procedures fully support the hiring and engagement of disabled colleagues and it takes active measures to do so via:

- a robust reasonable adjustment practice;
- modifications and support at interview stage; and
- processes to ensure colleagues are fully supported.

The Company is responsive to the needs of its employees. As such, should any employee of the Company become disabled during their time in employment the Company will actively support that employee and make reasonable adjustments to their working environment where possible, to keep the employee with the Company. It is the policy of the Company that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Engagement

The Company engages with its employees on a regular basis and in a number of ways to suit a global workforce. This includes:

- line manager briefings;
- monthly all-hands meetings;
- function and location specific executive led meetings;
- email news alerts;
- employee focus groups; and
- employee social media groups.

The Company's online learning platform has become well embedded since its launch in 2019. This has proved engaging and cost effective in particular during the Covid-19 lockdowns, with colleagues able to continue to grow their skills.

Imagination is keen to encourage employee involvement in the Company's performance through short term and long-term performance related reward. The Company operates a universal annual performance bonus plan and a selective long-term performance reward plan.

Energy and Carbon

As required by the Streamlined Energy and Carbon Reporting (SECR) requirements which came into place on 1 April 2019, the Group has identified its energy and carbon usage in the year ending 31 December 2023 as follows:

Energy figures are presented in kilowatt hours ("kWh")

Energy Use (kWh)	Year ended 31 December	
	2023	2022
Total UK electricity use	3,997,473	5,073,255
Total UK gas combustion	1,283,038	1,086,159
Total UK Transport fuel consumption Scope 1	—	—
Total UK energy use	5,280,511	6,159,414

Directors' Report (continued)

Carbon emission figures are presented in tonnes of carbon dioxide equivalent ("tCO₂e")

Associated Greenhouse Gas Emissions (tCO₂e)	Year ended 31 December	
	2023	2022
Associated greenhouse gas emissions Scope 1	260.3	220.1
Associated greenhouse gas emissions Scope 2 (Market-based)	60.4	28.7
Associated greenhouse gas emissions Scope 2 (Location-based)	880.7	1,117.7
Total associated scope 1 and scope 2 (Market-based) emissions	320.7	248.8
Total associated scope 1 and scope 2 (Location-based) emissions	1,141.0	1,337.9

Intensity Ratio (tCO₂e)	Year ended 31 December	
	2023	2022
Associated Scope 1 and Scope 2 (Market-based) greenhouse gas emissions per \$1,000,000 in revenue	2.10	1.66
Associated Scope 1 and Scope 2 (Location-based) greenhouse gas emissions per \$1,000,000 in revenue	7.46	8.92

Methodology

Energy figures and associated greenhouse gas emissions are for UK operations only as per SECR requirements for large unquoted companies. Carbon emissions figures are calculated in accordance with the Greenhouse Gas ("GHG") protocol by a third-party carbon accounting company.

Energy Efficiency Measures

The Group continues to source 100% renewable energy in locations where it has operational control.


Disclosure of information to auditors

Each Director confirms that, at the date this Annual Report and Accounts was approved, so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

For and on behalf of the Board

DocuSigned by:

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Ray Bingham**Director**

21 June 2024

Registered Number: 01306335

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGINATION TECHNOLOGIES LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Imagination Technologies Limited ("the Company") for the year ended 31 December 2023 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 when the financial statements are authorised for issue.

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

Other information

The 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.

Independent Auditor's Report (continued)

Other information (continued)

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

Responsibilities of Directors

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

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

Independent Auditor's Report (continued)

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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance and internal legal counsel;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Financial Reporting Standards FRS 101 Reduced Framework Disclosure (United Kingdom Generally Accepted Accounting Practice), Companies Act 2006 and relevant tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be including off but not limited to Health and Safety Legislation, the Equality Act 2010, Bribery Act 2010 and the Data Protection Act 2018.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Independent Auditor's Report (continued)

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company'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;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and risk of fraud in licence revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Challenging management's assessments, assumptions and evaluating data used as the basis for making estimates to assess whether judgment made in making accounting estimates are indicative of potential bias by management;
- With regards to the risk of fraud for licence revenue, our procedures included assessing whether the revenue recognition policies adopted by the Company comply with the relevant accounting standards. We checked a sample of revenue transactions recognised around year end against the date the performance obligation was satisfied to corroborate that revenue was recorded in the correct period and deferred revenue was appropriately calculated.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report (continued)

Use of our report

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

DocuSigned by:
BDO LLP
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Leighton Thomas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
21 June 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

(GBP in thousands)	Note	Year ended 31 December	
		2023	2022 (restated*)
Revenue	3	124,626	120,307
Research and development expenses	4	(73,722)	(57,266)
Sales and marketing expenses	4	(7,755)	(8,817)
General and administrative expenses	4	(43,846)	(37,149)
Expected credit losses on trade receivables	15	(8)	(2,057)
Other operating income and expenses	4	14,234	3,292
Profit before interest and taxation		13,529	18,310
Finance income	8	515	27
Finance expenses	8	(996)	(347)
Finance expense, net		(481)	(320)
Profit before taxation		13,048	17,990
Income tax expense	9	(10,460)	(5,790)
Profit for the financial year		2,588	12,200

* The comparative information is restated as a result of the correction of errors. See note 23.

The accompanying notes are an integral part of the Financial Statements.

Statement of Comprehensive Income

(GBP in thousands)	Note	Year ended 31 December	
		2023	2022 (restated*)
Profit for the financial year		2,588	12,200
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Valuation gains on fair value through other comprehensive income equity investments	13	6,482	4,395
Other comprehensive income, net of income tax		6,482	4,395
Total comprehensive income for the financial year		9,070	16,595

* The comparative information is restated as a result of the correction of errors. See note 23.

The accompanying notes are an integral part of the Financial Statements.

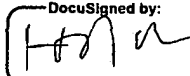
Imagination Technologies LimitedAnnual Report and Financial Statements
for the year ended 31 December 2023**Statement of Financial Position**

(GBP in thousands)	Note	As at 31 December		As at 1 January
		2023	2022 (restated*)	2022 (restated*)
Non-current assets				
Intangible assets	10	49,271	36,553	20,880
Property, plant and equipment	11	13,413	14,717	14,008
Right-of-use assets	12	16,493	14,744	15,354
Deferred tax	9	2,424	5,753	4,681
Debtors	15	2,853	2,113	2,200
Investments	13	12,053	5,518	1,122
Total non-current assets		96,508	79,398	58,245
Current assets				
Stock		—	—	293
Debtors	15	40,574	49,040	32,615
Cash at bank and in hand		42,667	14,386	55,849
Total current assets		83,241	63,426	88,757
Total assets		179,749	142,824	147,002
Creditors: amounts falling due within one year	16	(130,132)	(111,171)	(134,196)
Provisions: amounts falling due within one year	18	(1,571)	(1,715)	(1,062)
Net current liabilities		(48,462)	(49,460)	(46,501)
Total assets less current liabilities		48,046	29,938	11,744
Creditors: amounts falling due after more than one year	17	(23,854)	(15,608)	(14,631)
Provisions: amounts falling due after more than one	18	(1,003)	(461)	(399)
Net assets/(liabilities)		23,189	13,869	(3,286)
Capital and reserves				
Share capital	20	14,161	14,161	14,161
Capital contribution from Parent	20	2,636	2,387	1,827
Fair value reserve of financial assets at FVTOCI	20	10,349	3,867	(528)
Accumulated deficit		(3,957)	(6,546)	(18,746)
Total capital and reserves		23,189	13,869	(3,286)

* The comparative information is restated as a result of the correction of errors. See note 23. An additional statement of financial position as at 1 January 2022 is presented in these consolidated financial statements due to the retrospective correction of errors.

The accompanying notes are an integral part of the Financial Statements.

The Financial Statements were approved by the Board of Directors on 21 June 2024 and were signed on its behalf by:

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Ray Bingham
Director

Registered Number: 01306335

Statement of Changes in Equity

(GBP in thousands)	Share capital	Fair value reserve of financial assets at FVTOCI	Capital contribution from parent	Accumulated deficit	Total
As at 1 January 2022	14,161	(528)	1,827	(18,746)	(3,286)
Comprehensive income (restated*):					
Profit for the year	–	–	–	12,200	12,200
Other comprehensive income	–	4,395	–	–	4,395
Total comprehensive income (restated*)	–	4,395	–	12,200	16,595
Contributions by owners					
Share based payments (Note 19)	–	–	560	–	560
As at 31 December 2022, restated*	14,161	3,867	2,387	(6,546)	13,869
Comprehensive income:					
Profit for the year	–	–	–	2,588	2,588
Other comprehensive income	–	6,482	–	–	6,482
Total comprehensive income	–	6,482	–	2,588	9,070
Contributions by owners					
Share based payments (Note 19)	–	–	249	–	249
Total contributions by owners	–	–	249	–	249
As at 31 December 2023	14,161	10,349	2,636	(3,957)	23,189

* The comparative information is restated as a result of the correction of errors. See note 23.

The accompanying notes are an integral part of the Financial Statements.

Notes to the Financial Statements

1. Accounting policies

General

Imagination Technologies Limited (the "Company") is a private company limited by shares incorporated in England & Wales under the Companies Act. Its registered office is Imagination House, Home Park Estate, Kings Langley, England WD4 8LZ. These financial statements (the "Financial Statements") and activity are presented for the Company as a separate trading entity, and not a consolidation of its subsidiaries (together the "Group"). The Company is exempt from the preparation of consolidated financial statements under Section 401 of the Companies Act 2006 because it is included in the consolidated accounts of CBFi Investments Limited.

The Company, via its direct parent company Imagination Technologies Group Limited, is a wholly owned subsidiary of CBFi Investment Limited ("CBFi"), which is controlled by Canyon Bridge Fund I, LP (collectively referred to as the "Parent").

The Company is a global leader in low-power, high-performance semiconductor intellectual property ("IP") with over 25 years of experience in designing and licensing market-leading semiconductor IP solutions to fabless chip companies, integrated device manufacturers and original equipment manufacturers that serve a broad range of end markets globally, which include mobile, automotive, data centre and desktop computers.

Basis of preparation

The Financial Statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

The Financial Statements have been prepared on the historical cost basis in accordance with the Companies Act 2006. The Financial Statements are presented in British pounds sterling ("GBP"), which is also the Company's functional currency.

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied to all of the years presented, unless otherwise stated. There are no new accounting policies which would have a significant impact in the current year. Certain changes in the prior comparative period presentation was made to conform to the current period presentation, none of which were material.

The Financial Statements are prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided: A Statement of Cash Flows and related disclosures

- The remuneration of key management personnel
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead)
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements
- Disclosures in relation to the objectives, policies and process for managing capital
- Disclosure of the effect of future accounting standards not yet adopted
- Related party transactions with wholly owned members of the group

Notes to the Financial Statements

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of CBF. These financial statements do not include certain disclosures in respect of:

- Financial Instrument disclosures as required by IFRS 7 *Financial Instruments: Disclosures*
- Fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*.

Correction of errors

During 2023, the Company determined that the financial statements for the prior period contained errors related to the application of IFRS 16 *Leases* to a lease modification and the valuation of foreign currency derivative instruments. The impact on the Income Statement for the period ended 31 December 2022 resulted in an increase of £1.0 million in profit for the year. Refer to Note 23 for details of the error corrections and prior period adjustments.

Going concern

The Financial Statements have been prepared on a going concern basis. The Directors have prepared the going concern assessment and concluded that the Company will maintain liquidity while realising assets and satisfying liabilities in the normal course of business to 30 June 2025 (the "going concern period") being at least 12 months from the date the financial statements are authorised for issue.

In assessing the appropriateness of the going concern basis, the Directors have considered the following:

- Current macroeconomic and geopolitical factors, including the continuing conflict between Russia and Ukraine, escalating tensions in the Middle East, export control restrictions, global economic instability, volatility in the global financial markets, and inflation. The indirect effect to the semiconductor industry could be global supply chain disruption, increase of energy cost, increase prices of raw materials for our customers, and consumer confidence. The Company monitors the impacts of external factors such as these on the semiconductor industry and adjusts the business strategy accordingly.
- An assessment of the Company's liabilities includes legal provisions and other contingent liabilities.
- Review of the Company's forecast cash flows included in the annual operating plan for FY 2024 and extended to 30 June 2025 via the strategic plan (the "base case").
- Review of stress test cases whereby the base case was sensitised for:
 - forecast licence revenues in the going concern period being reduced by 10%; and
 - operating costs in the going concern period increased by 5%.
- The utilisation of the RCF was not assumed within the going concern period assessment due to the financial covenant restrictions such as net debt and interest coverage ratio.

Under the base case and the stress test cases the Company is able to meet liabilities as they fall due and operate within available facilities throughout the going concern period.

In a scenario where the Company performs below the stress test cases, the Directors note the actions available to management to maintain sufficient cash flows through measures including but not limited to cost savings, deferrals in planned capital expenditures, sale of freehold assets, and seeking an incremental equity raise. In addition, management could seek to bring forward Research and Development Expenditure Credit ("RDEC") cash receipts through alternative financing for the RDEC Claim.

Notes to the Financial Statements

As at 31 December 2023, the Company's parent, ITGL, had outstanding borrowings of £11.8 million (\$15.0 million) under an interest-free term loan facility with the Parent denominated in US dollars. In addition, as at 31 December 2023, ITGL's parent, CBFi, had outstanding borrowings of £551.7 million from the Parent, Canyon Bridge Fund I, LP to facilitate the acquisition of Imagination.

As set out in Note 16 of the consolidated financial statements of CBFi, these borrowings are contractually repayable on demand, however the Directors have received a letter of support from Canyon Bridge whereby Canyon Bridge will not seek repayment of the facilities for a period of at least 15 months from the date of signing of these Financial Statements. The only exception is the repayment of the working capital facility, which is predicated on the repayment being affordable to the Group.

Canyon Bridge has also indicated its intent to provide further funding of support should it be required during the going concern period.

Based on the above, the Directors are satisfied of the Company's ability to continue as a going concern for the foreseeable future and that no material uncertainties have been identified in connection with its ability to continue as a going concern.

Revenue

Revenue is generated through licensing of the Company's IP, royalties arising from the resulting sale of customers' products which incorporate the Company's IP and related services, including support and maintenance. All of the Company's revenue is denominated in U.S. dollars regardless of where the customer is located.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Where an agreement involves several performance obligations, the total fee is allocated to individual performance obligations based on their relative standalone selling price. The standalone selling price is assessed by reference to prices regularly charged for the performance obligations when it is sold separately, or if this cannot be determined, then other factors may be considered, or by reference to the excess of the total transaction price over the sum of the observable stand-alone selling prices of other goods or services promised in the agreement.

Revenues from the sale of goods are recognised upon delivery. Revenue is accounted for net of VAT.

Licensing revenue

Revenue from standard licenses, which delivers 'off the shelf' IP that requires very little customisation, is recognised at a point in time on delivery to the customer.

Revenue associated with rights in license agreements to access unspecified current and future IP is recognised over time on a straight-line basis over the contract period upon meeting the following criteria:

- (a) the contract requires, or the customer reasonably expects, that the Company will undertake activities that significantly affect the IP to which the customer has rights;
- (b) the rights granted by the license directly expose the customer to any positive or negative effects of the Company's activities identified; and
- (c) those activities do not result in the transfer of a good or a service to the customer as those activities occur.

Notes to the Financial Statements

Where invoicing milestones on license or development arrangements are such that the proportion of work performed is greater than the proportion of the total contract value which has been invoiced, the Company evaluates whether it has obtained, through its performance to date, the right to the unbilled consideration and therefore whether revenue should be recognised.

In particular it considers whether there is sufficient certainty that the invoice milestones will be achieved in the expected timeframe, that the customer considers that the Company's contractual obligations have been, or will be, fulfilled and that only those costs budgeted to be incurred will be incurred. Where the Company considers that there is insufficient evidence that it is probable that the economic benefits associated with the transaction will flow into the Company taking into account these criteria, revenue is not recognised until there is sufficient evidence that it is probable that the economic benefits associated with the transaction will flow into the Company.

Where contracts contain variable consideration, there is judgment involved in determining the total transaction price the Company expects to receive for delivery of its services. Variability in consideration can arise from contractual or other factors and, for relevant contracts, the Company has estimated the total revenues it expects to realise under the expected value method to ensure it is highly probable there is no significant reversal of cumulative revenue in a future period. Where such contracts are spread across multiple periods the Company revisits the judgments made at each reporting date and adjusts the total transaction price accordingly. These estimates involve the Company assessing the status of the contracted arrangements, services delivered to the customer, any history of price concessions made to the customer or on similar contracts, and any other relevant factors.

Revenue for services, mainly for support and maintenance provided to assist the customer in integrating the Company's IP into their product, is recognised over time on a straight-line basis over the period for which the support and maintenance are contractually agreed with the licensee, as the customer simultaneously receives and consumes the services as the Company performs them.

Royalty revenue

Royalty revenues are earned on the sale of products by licensees containing the Company's IP. Revenues are recognised at a point in time as they are earned to the extent that the Company has sufficient evidence of sales of products containing the Company's IP by licensees. Royalties are calculated on a per unit basis by applying the number of units shipped by the licensees to the royalty rates, as specified in the agreements with the licensees. The Company receives the actual unit shipment data from its customers after the end of each quarter. Prior to receiving the quarterly shipment statements from the licensee, royalty revenues are recognised based on the Company's estimation of the customer's units shipped during the quarter.

Contract assets and liabilities

Contract assets relate to transfers of goods or services to a customer before a customer is invoiced. This primarily occurs for royalty revenue where an estimate of revenue is recorded prior to receiving the quarterly royalty return and invoicing the customer. In addition, contract assets arise when the total billed to date is less than the value of the goods or services the Company has transferred to the customer. The Company assesses loss allowance for contract assets in accordance with IFRS 9.

Contract liabilities primarily relate to the advance consideration invoiced to customers for subscriptions, support and maintenance or licensing revenue, which has not been fully delivered to the customer.

The Company does not incur any material direct costs when securing new contracts.

Notes to the Financial Statements

Employee benefits

The Company contributes to a defined contribution pension plan. Payments are charged to the Income Statement in the period to which they relate.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

In 2020, Canyon Bridge International Holding Investment Limited ("CBIHIL"), of which the Company is a wholly owned subsidiary, and which is a subsidiary of the Parent, granted equity incentive shares, designated as A and B Class Growth Shares of CBIHIL ("Growth Shares"), to certain of the Company's executive officers and other personnel of the Company to provide additional discretionary incentives for such executive officers and other personnel. Participation in the scheme is at the Board of Directors' and the Company's controlling shareholder's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Under the arrangement for the issuance of Growth Shares, CBIHIL is settling the transaction by the issue of its shares and services being received by the Company. Moreover, the arrangement does not include a cross charge for the expenses between the Company and CBIHIL, i.e., it is understood that CBIHIL is not recovering the cost to be incurred for issuing Growth Shares to the Company; and the Company does not have any obligation to settle the share-based payment transaction where the obligation primarily sits with CBIHIL. Therefore, the share-based payment transaction is expected to be classified as equity-settled based on the provisions of IFRS 2, thereby recognising a corresponding increase in equity as a contribution from the Parent.

The fair value is measured at grant date and is determined using an appropriate valuation model, further details of which are given in Note 19.

The total amount to be expensed is determined by reference to the fair value and considers the following:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As the end of each period, the Company revises its estimates of the entitlements that are expected to vest based on the non-market vesting and service conditions. It recognises the impact on the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

The total expense recognised in the year ended 2023 was £249 thousand (2022: £560 thousand) with a corresponding increase in equity within capital contribution from Parent.

The Company has share-based payment arrangements which vests upon a period of continued time-based service or immediate vests upon a 'Qualifying Transaction' which includes an IPO or change of control. The awards can be settled in stock through conversion into ordinary shares of a new listed entity, or if no event happens after 36 months, in cash. The fair value is charged on a straight-line basis over the vesting period. The Company assesses the probability of a Qualifying Transaction to determine the vesting period, and if classification of cash-settled or equity-settled at each reporting date. Assumptions regarding employee attrition are factored into the overall liability calculation prior to vesting, and is adjusted to reflect actual experience.

Notes to the Financial Statements

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Periodically, in accordance with IFRIC 23, the Company evaluates its tax return positions with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company receives significant government tax incentives including, in the United Kingdom, the Research and Development Expenditure Credit ("RDEC"). RDEC is a research and development ("R&D") tax credit incentive offered by the UK government to promote private sector investment in innovation. The expenditure credit is calculated as a percentage of qualifying R&D expenditure. The percentage increased to 20% from 1 April 2023 (13% previously). This benefit is recorded as income included in profit before tax as a component of other operating income. The credit is taxable at the normal corporation tax rate and is offset against tax liability or, in some circumstances, is payable in cash. The recoverability of the RDEC as it relates to future deferred tax asset recognition is recorded in current tax expense. To the extent that the RDEC relates to capitalised development expenses, a corresponding deferred income credit is recognised in contract liabilities and released over the useful life of the capitalised asset through other operating income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method on any temporary differences between the carrying amounts for financial reporting purposes and those for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business combination) that affects neither the accounting nor the taxable profit or loss.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer possible that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and joint arrangements except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Foreign exchange

Transactions in foreign currencies are translated to the functional currency of the Company at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at rates of exchange ruling at the Statement of Financial Position date. Exchange gains and losses are taken to the Income Statement.

Notes to the Financial Statements

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement.

Research and development costs

Costs of basic and applied research are expensed in the period in which they are incurred.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Directly attributable costs that are capitalised include employee costs and third party project support. No other costs or overheads are capitalised. Following initial recognition of the expenditure as an asset, capitalised development costs are carried at cost less accumulated amortisation and impairment losses. Amortisation begins from the point at which development is complete and the asset is available for use. During the period of development, the asset is tested for impairment annually.

Patents

The cost of obtaining patents for the Company's internally developed IP in individual jurisdictions is capitalised. The costs predominantly relate to legal expense associated with completing the patent application process.

Notes to the Financial Statements

The amortisation rates applied to finite lived intangible assets are:

Capitalised development costs	4 to 10 years
Software, patents and trademarks	2 to 15 years
Developed technology	4 to 10 years

Investments

Upon initial recognition, the Company can elect to irrevocably classify its equity investments as equity instruments designated at fair value through other comprehensive income ("FVTOCI") when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity investments are classified at FVTOCI and are stated on the Statement of Financial Position at the fair value as at the Statement of Financial Position date, with any gain or loss being recognised directly in the Statement of Comprehensive Income.

At initial recognition, the Company measures trade investments at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Gains and losses on these financial assets resulting from subsequent remeasurement are never recycled to profit or loss. Where there has been more than one investment made in the same company, each tranche is assessed in isolation to calculate the movements in fair value. Equity instruments designated at FVTOCI are not subject to impairment assessment. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is reclassified to retained earnings.

The Company elected to classify irrevocably its non-listed equity investment in Shenzhen Pengxin Science and Technology Co., Ltd. ("SPS&T") (formerly known as Beijing HeXinDa Science and Technology Co. Ltd.) (as defined and discussed in Note 13) under this category.

The Company is exposed to equity securities price risk on strategic equity investments financial assets.

As there can be no guarantee that there will be a future market for securities or that the value of such investments will rise, the Directors evaluate each investment opportunity on its merits before committing the Company's funds. The Directors review holdings in such companies on a regular basis to determine whether continued investment is in the best interests of the Company. Funds for such ventures are limited in order that the financial effect of any potential decline of the value of investments will not be substantial in the context of the Company's financial results.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provisions for impairment.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated to write down their cost using the straight-line method to their estimated residual values over the period of their estimated useful economic lives. Periodic reviews are made of estimated remaining useful economic lives and residual values, and the depreciation rates applied are:

Freehold land	No depreciation
Freehold buildings	25 years
Leasehold improvements	Equally over the period of the lease
Plant and equipment	3 to 10 years

Notes to the Financial Statements

Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Income Statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of less than or equal to three months. As at 31 December 2023, the Group had access to a £3.0 million overdraft facility, which was undrawn at that date. This facility is subject to review and renewal annually in October. Where the Group operates banking arrangements across multiple accounts, these are presented on a net basis when it has both a legal right and intention to settle the balance on a net basis.

Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation arising from past events, it is probable cash will be paid to settle it and the amount can be estimated reliably. Provisions are determined by discounting the expected future cash flows by a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the Income Statement. The value of the provision is determined based on assumptions and estimates in relation to the amount and timing of actual cash flows which are dependent on future events.

Dividends

Dividend distributions to the Company's ordinary shareholders are recognised as a liability in the Statement of Financial Position in the period in which the dividends are approved by the Company's Board of Directors.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value, and trade receivables that do not contain a significant financing component, which are measured at the transaction price in accordance with IFRS 15.

Notes to the Financial Statements

Subsequent measurement of financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement of financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVTOCI").

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the Income Statement are presented within finance costs or finance income, except for impairment of trade receivables which is presented on the face of the Income Statement.

Financial assets at amortised cost

The Company's financial assets measured at amortised cost include cash, trade and other receivables.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated at FVTPL):

- they are held within the business model whose objective is to hold the financial asset and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Company applies the simplified approach permitted by IFRS 9 and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Individually significant receivables and contract assets are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables and contract assets that are not considered to

Notes to the Financial Statements

be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are comprised of derivative financial instruments that are designated and effective as hedging instruments, are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments

Derivative financial instruments held by the Company are foreign currency derivatives which are accounted for at FVTPL. The asset or liability position of the derivative at the reporting date is recorded within debtors and creditors on the Statement of Financial Position.

Leased assets

The Company considers whether a contract is or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the Statement of Financial Position. 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 Company, 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 Company 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date. Lease payments included in the measurement of the lease liability are made

Notes to the Financial Statements

up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

The Company 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.

On the Statement of Financial Position, right-of-use assets and lease liabilities have been disclosed separately.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2023

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 *Insurance Contracts*;
- Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*);
- Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 *Income Taxes*) (effective immediately upon the issue of the amendments and retrospectively).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes for further details on how the amendments affected the Company.

IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting periods beginning on or after 1 January 2023.

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IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such as the Company. The Company carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the Financial Statements.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the Financial Statements but affect the disclosure of accounting policies of the Company.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the Financial Statements.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final

Notes to the Financial Statements

Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management has determined that the Company is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Company.

2. Significant accounting judgments and estimates

In applying the Company's accounting policies described above, management has made the following judgments and estimates that have a significant impact on the amounts recognised in the Financial Statements.

Revenue recognition

Judgment is involved in determining how many performance obligations are in a license agreement and how to allocate fair value to these obligations. This is because contracts often contain options, and therefore there is judgment in determining whether these create material rights resulting in additional performance obligations. Management determines performance obligations which are capable of being distinct and distinct in the context of each contract.

For certain contracts there is judgment involved in determining the total transaction price the Company expects to receive for delivery of its services. Variability in consideration can arise from contractual or other factors and, for relevant contracts, the Company has estimated the total revenues it expects to realise to ensure it is highly probable there is no significant reversal of cumulative revenue in a future period. Where such contracts are spread across multiple periods the Company revisits the judgments made at each reporting date and adjusts the total transaction price accordingly. These estimates involve the Company assessing the status of the contracted arrangements, services delivered to the customer, the relationship with the customer and any other relevant factors.

Judgment is also involved in determining the transaction price of a license agreement that contains variable consideration and how to allocate the transaction price to the identified performance obligations based on the standalone selling price of each performance obligation.

Where contracts contain variable consideration, there is judgement involved in determining the total transaction price the Company expects to receive for delivery of its services. The Company has estimated the total revenues it expects to realise under the expected value method to ensure it is highly probable there is no significant reversal of cumulative revenue in a future period. Where such contracts are spread across multiple periods, the Company revisits the judgements made at each reporting date and adjusts the total transaction price accordingly. These estimates involve the Company assessing the status of the contracted arrangements, services delivered to the customer, and any history of price concessions made to the customer or on similar contracts and any other relevant factors.

Once the transaction price has been determined, there is judgment involved in the allocation of the transaction price based on the standalone selling price of each performance obligation. There is also judgement involved in the assessment of whether a standalone selling price is observable based on prices

Notes to the Financial Statements

regularly charged for the performance obligation when it is sold separately or whether a residual method should be applied by allocating the excess of the total transaction price over the sum of the observable standalone selling prices of the other goods or services promised in the agreement.

Capitalisation of development costs

The Company invests on a continual basis in the development of new and enhanced features in products. There is a continual process of enhancements to and expansion of the overall product line. Judgment is required in assessing whether the development costs meet the criteria for capitalisation. Management evaluates, among other factors, whether there are future economic benefits beyond the current period, the stage at which technical feasibility has been achieved, management's intention to complete and use or sell the product, the likelihood of success, availability of technical and financial resources to complete the development phase, and management's ability to measure reliably the expenditure attributable to the project.

During the year ended 31 December 2023, management continued to capitalise development expenditure directly attributable to remuneration and associated costs of employment and development costs of £12.4 million (2022: £13.8 million) were capitalised, which represented approximately 29.1% (2022: 39.4%) of total research and development remuneration costs. Further information regarding the accounting policy for research and development is detailed in Note 1.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Going concern – The Directors have prepared the going concern assessment and concluded that the Company will maintain liquidity while realising assets and satisfying liabilities in the normal course of business for the going concern period. See note 1 for details. The assessment included the following estimates and assumptions of the Company's future results:

- An assessment of the Company's liabilities including legal provisions and other contingent liabilities determined that current provisions were adequate to meet the obligations.
- A forecasted annual operating plan for FY 2024 and extended to 30 June 2025.

The Directors stress tested the assumptions in the annual operating plan by adjusting for:

- forecast licence revenues in the going concern period being reduced by 10%; and
- operating costs in the going concern period increased by 5%.

Revenue collectability – The contract asset balance of £15.0 million includes £5.9 million related to two customers which remains outstanding at the date of signing. The Directors are in discussions with these customers and consider the amounts to be fully recoverable.

Legal claims – estimates of claims. See note 18 for details.

The Company based its assumptions and estimates on the parameters available at the time of preparation of the Financial Statements. Existing circumstances and assumptions about future developments, however, may, change due to market changes or circumstances arising that are beyond the control of the Company. Such changes will be reflected in the assumptions when they occur.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires

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determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes valuation model.

The Company has other share-based payment arrangements where the probability of a Qualifying Transaction is used to determine the vesting period, and if classification of cash-settled or equity-settled at each reporting date must be determined.

The assumptions and models used for estimating fair value for share-based payment transactions are set out in Note 19.

Leases

There are a number of uncertainties and judgments in determining the application of the requirements of IFRS 16. These include the following judgments:

- calculating the appropriate discount rate;
- estimating the lease term; and
- estimating variable lease payments dependent on an index or rate.

The Directors have determined the best estimates of the above, based on facts and circumstances that have been identified. For example, where there are lease extensions included within agreements that are not conditional on the agreement of both parties, it is assumed that these will be exercised if they fall within three years of the Statement of Financial Position. Lease options after this date are deemed sufficiently far enough into the future that alternative arrangements could be made.

Determination of the appropriate discount rate to use has considered market data (corporate bonds rate), inflation and other country-risk factors applicable to the Company.

Taxation

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. The Company has made estimates on the likelihood that future taxable profit will utilise these tax losses. Therefore, the ultimate realisability of deferred tax assets for the Company is contingent upon the estimates regarding the future profitability of the Company, which is judgmental given the Company's recent history of being loss making.

The use of brought forward loss credits are restricted to 50% of taxable profits over £5.0 million and estimated taxable profits. The value of the deferred tax assets recognised as at 31 December 2023 was £2.4 million (2022: £5.8 million). In order to support the recognition of the deferred tax asset on losses, modelling was undertaken to review the recovery period of the deferred tax asset. The modelling was based on management forecasts and showed that the deferred tax asset recognised on losses is expected to be recovered by 2024. No deferred tax asset has been recognised for forecast profits beyond 2025 due to the higher level of uncertainty of such profits in the future.

The estimates take account of the inherent uncertainties constraining the expected level of profit as appropriate. Changes in these estimates will affect future profits and therefore the recoverability of the deferred tax assets. The value of the unrecognised deferred tax asset in the UK as at 31 December 2023 was £33.3 million (2022: £32.1 million).

See Note 9 for further details in respect of deferred taxation balances and recognition.

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Fair value measurement

A number of assets and liabilities included in the Company's Financial Statements require measurement at and disclosure of fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e., not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The Company measures a number of items at fair value:

- Investments (Note 13)
- Financial instruments

For more detailed information in relation to the fair value measurement of the items above, refer to the applicable notes.

3. Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(GBP in thousands)	Year ended 31 December	
	2023	2022
<u>Type of product or services</u>		
Licencing	95,514	91,414
Royalties	29,112	28,893
Total revenue from contracts with customers	124,626	120,307
<u>Geographical markets</u>		
United States of America	69,757	50,018
China	27,717	43,878
Japan	16,905	14,741
Rest of world	10,247	11,670
Total revenue from contracts with customers	124,626	120,307
<u>Timing of revenue recognition</u>		
Products and services transferred at a point in time	72,879	76,088
Products and services transferred over time	51,747	44,219
Total revenue from contracts with customers	124,626	120,307

Revenue from individual customers that represents more than 10% of the Company's total revenue for the year ended 31 December 2023 have a total value of approximately £53.6 million (2022: £51.8 million). The customers' countries of domicile are USA and Japan.

Notes to the Financial Statements

The two largest customers accounted for 30.6% and 12.4% of revenue for the year ended 31 December 2023 (2022: two customers contributed 31.4% and 11.3% respectively).

Contract balances

(GBP in thousands)	Note	As at 31 December	
		2023	2022
Trade receivables	15	8,773	6,119
Contract assets	16	15,025	18,543
Contract liabilities - current	17	(40,470)	(7,862)
Contract liabilities - non-current	17	(9,771)	(2,160)

Contract liabilities as at 31 December 2023 also include the deferral of other income related to RDEC of £5.4 million (2022: £2.5 million) which is not related to revenue.

In the current year the Group negotiated a prepayment from a key customer for £39.7 million (\$51.0 million).

A reconciliation of contract asset and contract liabilities is below:

(GBP in thousands)	Contract assets	Contract assets	Contract liabilities	Contract liabilities
	2023	2022	2023	2022
As at 1 January	18,543	17,373	(10,021)	(14,997)
Transfers in the period from contract assets to trade receivables	(18,543)	(17,373)	–	–
Amounts included in contract liabilities that were recognised as revenue during the period	–	–	1,764	14,997
Revenue recognised for the period not yet invoiced	15,025	18,543	–	–
Cash received (or rights to receive) for revenue not yet recognised	–	–	(41,984)	(10,021)
As at 31 December	15,025	18,543	(50,241)	(10,021)

The contract assets relate to the Company's estimate of accrued royalty revenue and accrued licence revenue. Accrued royalty revenue is invoiced and transferred to receivables once the quarterly royalty return is formally received from the customer. Accrued licence revenue is invoiced and transferred to receivables according to the invoicing timetable in the contract.

The contract liabilities primarily relate to the advance consideration invoiced to customers relating to subscriptions, support and maintenance or licencing revenue which will be mostly recognised over the next 12 to 36 months.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. IFRS 15 requires disclosure based on the time bands that would be most appropriate for the duration of the remaining performance obligations. The Company uses a one-year time band.

(GBP in thousands)	1 year	2 years	3 years	4 years+
Year ended				
31 December 2023	45,947	10,219	2,505	6,810
31 December 2022	62,503	8,031	3,742	8,922

Notes to the Financial Statements

The Company applies the practical expedient in IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

There are certain customer contracts which require greater judgement than compared to other contracts the Company entered in to. These have required a best estimate from management of the total transaction price receivable, currently resulting in a constraining of revenues. If these constraints were removed, licencing revenue in 2023 would have been approximately £7.3 million higher (2022: £8.4 million higher) than the recognised licencing revenue in the Income Statement.

As at 31 December 2023 there is no associated accrued income (2022: £7.6 million). There is no associated deferred revenue in 2023 nor 2022.

Contract costs

The Company does not incur any material direct costs when securing new contracts.

4. Operating income and expenses

Included in operating income and expense accounts are the following items:

(GBP in thousands)	Year ended 31 December	
	2023	2022
Depreciation and amortisation expense	11,000	7,429
Net foreign exchange (loss)/gain	2,292	(3,608)
Restructuring expenses	6,416	—
Research and development expenses	73,722	57,266
	93,430	61,087

Restructuring expenses included in general and administrative expenses reflect a Group-wide initiative that included a reduction in force within research and development, sales and marketing, and general administration functions.

In October 2023, the Company announced a restructuring plan to align the size of its workforce with strategic business activities and to improve efficiencies in its operations. The restructuring plan was formalized and announced to employees in 2023 when the provision was recognized in the Financial Statements. As at 31 December 2023 the Company has substantially completed the initiative which consisted of a reduction in the workforce. The associated cash outflows for restructuring costs primarily occur in less than one year.

The following is a summary of changes in restructuring costs, included within Creditors: amounts falling due within one year accruals on the Statement of Financial Position.

(GBP in thousands)	As at 31 December	
	2023	2022
As at 1 January	—	—
Additional provision required	6,416	—
Net utilisation of provision	(5,372)	—
As at 31 December	1,044	—

Notes to the Financial Statements**Other operating income and expenses**

Other operating income primarily arises from the significant government tax incentives received by the Company including, in the United Kingdom, Research and Development Expenditure Credits. Since this is not considered to be part of the main revenue generating activities, the Company presents this income separately from revenue.

(GBP in thousands)	Year ended 31 December	
	2023	2022 (restated*)
Other operating income		
Research and Development Expenditure Credits	9,620	6,329
Change in fair value of foreign currency derivatives	1,661	—
Dividend from subsidiary	2,953	—
Total other operating income	14,234	6,329
Other operating expenses		
Change in fair value of foreign currency derivatives	—	(3,037)
Total other operating expenses	—	(3,037)
Total other operating income and expenses	14,234	3,292

* The comparative information is restated as a result of the correction of errors. See note 23.

5. Auditor's remuneration

Fees for the audit of the Company and the Group were:

(GBP in thousands)	Year ended 31 December	
	2023	2022
Fees for the audit of the Company and the Group	321	333
Other assurance services	68	—
Total	389	333

6. Employees

The average number of persons employed by the Company (including Directors) was:

	Year ended 31 December	
	2023	2022
Research and development	539	511
Administration	90	78
Sales and marketing	16	24
Total	645	613

Notes to the Financial Statements

The aggregate payroll costs of these persons were:

(GBP in thousands)	Year ended 31 December	
	2023	2022
Wages and salaries	52,780	46,890
Social security costs	5,781	5,113
Share-based payments	957	560
Pension costs	3,356	2,984
Other staff costs	2,896	2,955
Total	65,769	58,502

7. Directors' remuneration

(GBP in thousands)	Total		Highest paid director	
	2023	2023	2022	2022
Directors' remuneration	1,412	522	2,476	1,059
Pension contributions	63	36	70	26
Total	1,475	558	2,546	1,085

8. Finance income and expense

(GBP in thousands)	Year ended 31 December	
	2023	2022 (restated*)
Finance income		
Interest received on bank deposits	515	27
Total finance income	515	27
Finance expense		
Interest expense on lease liabilities	(484)	(347)
Interest expense	(512)	–
Total finance expense	(996)	(347)
Finance expense, net	(481)	(320)

* The comparative information is restated as a result of the correction of errors. See note 23.

Notes to the Financial Statements

9. Taxation

Analysis of tax charge for the year:

	Year ended 31 December	
	2023	2022 (restated*)
(GBP in thousands)		
Current tax expense		
U.K. corporation tax expense	–	–
Foreign withholding tax	3,048	5,426
Derecognition of RDEC tax assets	4,064	1,433
Adjustments in respect of prior periods	–	3
Total current tax expense	7,112	6,862
Deferred tax expense		
Total deferred tax charge/(credit)	3,348	(1,072)
Total income tax expense	10,460	5,790

* The comparative information is restated as a result of the correction of errors. See note 23.

The total tax expense for the year ended 31 December 2023 of £10.5 million (2022: £5.8 million) is higher (2022: higher) than the standard rate of corporation tax in the United Kingdom of 23.5% (2022: 19.0%). The difference is explained below:

	Year ended 31 December	
	2023	2022 (restated*)
(GBP in thousands)		
Profit before income taxes	13,048	17,990
Expected tax (charge)/benefit based on the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%)	3,069	3,419
Tax effect of:		
Income not taxable for tax purposes	(1,131)	(505)
Tax effect of expenses that are not deductible for tax purposes	524	142
Tax effect of fixed asset timing differences	240	122
Prior period adjustments	107	2
Permanent differences	(677)	(1,031)
Deferred tax not recognised	474	(3,546)
Other deferred tax movements	(129)	–
Withholding tax	3,048	5,426
Adjustment of deferred tax opening and closing balances to 25%	276	–
R&D expenditure credit	685	1,761
Reversal of corporate tax assets	3,974	–
Total income tax expense	10,460	5,790

* The comparative information is restated as a result of the correction of errors. See note 23.

Current tax

RDEC recorded as other operating income in 2023 was £9.6 million (2022: £6.3 million).

Notes to the Financial Statements

Deferred tax

The movement on the deferred tax account is as follows:

(GBP in thousands)	As of 31 December 2021	Recognised in income statement	Recognised in equity and reserves	As of 31 December 2022
Tax losses	5,181	572	—	5,753
Excess capital allowances - recognised	(500)	(3,305)	—	(3,805)
Tax losses offsetting excess capital allowances	—	3,805	—	3,805
	4,681	1,072	—	5,753

(GBP in thousands)	As of 31 December 2022	Recognised in income statement	Recognised in equity and reserves	As of 31 December 2023
Tax losses	5,753	(3,093)	—	2,660
Excess capital allowances - recognised	(3,805)	(3,209)	—	(7,014)
Tax losses offsetting excess capital allowances	3,805	2,954	—	6,759
	5,753	(3,348)	—	2,405

Deferred tax assets have been offset against deferred tax liabilities arising on balances where they relate to income taxes levied by the same taxation authority and there is a legally enforceable right to offset. The net asset and liability positions have been presented on the Statement of Financial Position.

The cumulative carryforward value of losses as at 31 December 2023 was £102.0 million (2022: £114.7 million). The value of the unrecognised deferred tax asset in the UK as at 31 December 2023 was £33.3 million (2022: £32.1 million).

None of the recognised tax assets or liabilities expire.

Factors affecting tax charge

The Finance Bill 2021 amended the main rate of U.K. corporation tax to 25%. This main rate of corporation tax and marginal relief will be relevant for any asset sales or timing differences expected to reverse on or after 1 April 2023. Deferred tax has therefore been calculated at a hybrid rate where necessary, reflecting the 19% rate to still be in place for the first three months of 2023 and the 25% rate thereafter.

Notes to the Financial Statements

10. Intangible assets

(GBP in thousands)	Capitalised development costs	Developed technology	Software, patents and trademarks	Total
Cost				
As at 1 January 2022	7,083	17,875	23,973	48,931
Additions	13,810	–	5,354	19,164
Disposals	–	–	(1,507)	(1,507)
As at 31 December 2022	20,893	17,875	27,820	66,588
Additions	12,395	–	5,480	17,875
Disposals	–	(5,214)	(98)	(5,312)
As at 31 December 2023	33,288	12,661	33,202	79,151
Accumulated amortisation and impairment				
As at 1 January 2022	20	17,875	10,156	28,051
Charge for the period	1,027	–	2,254	3,281
Disposals	–	–	(1,297)	(1,297)
As at 31 December 2022	1,047	17,875	11,113	30,035
Charge for the period	2,169	–	2,772	4,941
Impairment	172	–	–	172
Disposals	–	(5,214)	(54)	(5,268)
As at 31 December 2023	3,388	12,661	13,831	29,880
Net book value				
As at 1 January 2022	7,063	–	13,817	20,880
As at 31 December 2022	19,846	–	16,707	36,553
As at 31 December 2023	29,900	–	19,371	49,271

Notes to the Financial Statements

11. Tangible fixed assets

(GBP in thousands)	Freehold land and buildings	Leasehold improvements	Plant and equipment	Total
Cost				
As at 1 January 2022	11,695	2,589	25,588	39,872
Additions	–	386	2,601	2,987
Disposals	–	(746)	(14,390)	(15,136)
As at 31 December 2022	11,695	2,229	13,799	27,723
Additions	–	111	1,514	1,625
Reclassification	–	(368)	368	–
Disposals	–	(137)	(157)	(294)
Foreign exchange movements	–	4	6	11
As at 31 December 2023	11,695	1,840	15,530	29,065
Amortisation				
As at 1 January 2022	2,442	1,399	22,023	25,864
Charge for the period	391	318	1,569	2,278
Disposals	–	(746)	(14,390)	(15,136)
As at 31 December 2022	2,833	971	9,202	13,006
Charge for the period	391	362	2,018	2,771
Reclassification	–	(260)	260	–
Disposals	–	(162)	(6)	(168)
Foreign exchange movements	–	9	34	43
As at 31 December 2023	3,224	920	11,508	15,652
Net book value				
As at 1 January 2022	9,253	1,190	3,565	14,008
As at 31 December 2022	8,862	1,258	4,597	14,717
As at 31 December 2023	8,471	920	4,022	13,413

The net book value of land in the freehold land and buildings balance above is £1.1 million as at 31 December 2023 and 2022.

Notes to the Financial Statements

12. Leases

The Company has lease contracts for various offices, equipment and tools used in its operations. The amounts recognised in the financial statements in relation to the leases are as follows:

Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2023	2022 * Restated
(GBP in thousands)		
Right-of-use assets		
Office buildings	13,363	14,367
Plant and equipment	3,130	377
Total right-of-use assets	16,493	14,744
Lease liabilities		
Current	2,578	1,882
Non-current	13,787	13,497
Total lease liabilities	16,365	15,379

* The comparative information is restated as a result of the correction of errors. See note 23.

Additions to the right-of-use assets during the financial year were £5.0 million (2022: £1.3 million).

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	Note	Year ended 31 December	
		2023	2022 * Restated
(GBP in thousands)			
Depreciation charge of right-of-use assets			
Office buildings		1,741	1,523
Plant and equipment		1,532	348
Total depreciation		3,273	1,871
Lease interest expense (included in finance cost)	8	484	347
Total		3,758	2,218

* The comparative information is restated as a result of the correction of errors. See note 23.

The total cash outflow for leases was £5.7 million (2022: £4.4 million).

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13. Investments

(GBP in thousands)	As of 31 December	
	2023	2022
Equity investments at FVTOCI	11,450	4,969
Investments in subsidiary undertakings	602	549
Total investments	12,053	5,518

Equity investments at fair value through other comprehensive income (FVTOCI)

The Company's investment in Shenzhen Pengxin Science and Technology Co., Ltd. ("SPS&T") (formerly known as Beijing HeXinDa Science and Technology Co. Ltd.) is designated as an equity investment at fair value through other comprehensive income (FVTOCI).

In 2020, the Company entered into a contract with a number of third parties to establish SPS&T, a China domiciled entity, and invested ¥9.95 million. The Company has not participated in further funding rounds and as at 31 December 2023 the Company's holding was reduced to 9.58% (2022: 10.35%) of SPS&T's registered capital.

The Company also has preferred stock investment in Orca Systems, Inc., representing 4.2% (2022 5%) of total shareholders equity, which held a carrying value of nil (2022: nil).

Movement in the carrying value of Company's investment in SPS&T during the year is analysed below.

(GBP in thousands)	2023	2022
% of shares held as at 31 December	9.58 %	10.35 %
Carrying value as at 1 January	4,968	573
Change in FVTOCI	6,482	4,395
Carrying value as at 31 December	11,450	4,968

In 2023, the fair value of the Company's investment in SPS&T was determined using a valuation based on funding rounds within the year, income approaches, and market approaches. The funding round consisted of an arm's-length transaction and demonstrated a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Based on this assessment, it was determined that there was an increase in fair value of £6.5 million (2022: £4.4 million).

This was corroborated by the market approach, which focuses on valuation multiples of publicly traded companies and actual transactions within the subject entity's industry or related industries to arrive at an indication of value. The selected revenue multiple for the public company method and transaction method were 5.0x revenue and 5.9x revenue, respectively.

The investment round valuation was also supported by the income approach, which focuses on the income-producing capability of a business. The income approach estimates value based on the expectation of future cash flows that a company will generate. These cash flows are discounted to the present using a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. Select assumptions were a discount rate of 28% and 3.5% perpetual growth rate.

The Company's value of its investment in SPS&T is equivalent to its 9.58% ownership share of the estimated fair value of SPS&T.

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Investments in subsidiary undertakings

The net book value of subsidiary undertakings at end of 31 December 2023 was £602 thousand (2022: £549 thousand). The increase in 2023 was due to the movement of an investment between companies for no consideration. There were no additions or disposals in either year.

14. Subsidiaries

Details of the Company's subsidiary undertakings are as follows:

Name of subsidiary undertaking	Address of registered office	Type of shares	Percentage of issued share capital held
Directly owned			
Imagination Technologies GmbH	Hansengeweg 54, 60599 Frankfurt am Main, Germany	Ordinary	100%
Imagination Technologies KK	AIOS Gotanda Annex Bldg 3F, 1-7-11 Higashi Gotanda, Shinagawa-ku, Tokyo 141-0022, Japan	Ordinary	100%
Imagination Technologies India Private Limited	2nd Floor, Bajaj IT Tower, Building Bajaj Brandview, Survey no. 25, A/1, Plot No. 38, Wakdewadi, Shivajinagar, Pune, Maharashtra 411005, India	Ordinary	100%
Imagination Technologies Pty Limited	20-22 Kerry Road, Warranwood VIC 3134, Australia	Ordinary	100%
Imagination Technologies (China) Co., Ltd	Room 903, 904 & 905, Floor 9, No.1155 Fangdian Road, Kerry Parkside Office Building, Pudong, Shanghai 201204, China	Ordinary	100%
Imagination Technologies B.V. (Netherlands)	Kabelweg 57, Unit 1, 06.05 A, 1014 BA, Amsterdam, Netherlands	Ordinary	100%
IMG Technologies LLC	8 The Green, Suite A, Dover, Delaware 19901, United States of America	Ordinary	100%
Imagination Technologies Romania S.R.L.	Strada Martin Luther nr. 2, First Floor, Timișoara 300054, Romania	Ordinary	100%

Notes to the Financial Statements

15. Debtors

(GBP in thousands)	As at 31 December	
	2023	2022 (restated*)
Current debtors		
Trade receivables	10,717	8,165
Less: provision for impairment of trade receivables	(1,944)	(2,046)
Trade receivables, net	8,773	6,119
Prepayments	3,754	3,510
Contract assets	15,025	18,543
Amount owed by subsidiary undertakings	192	345
Other debtors	2,859	3,308
Research and Development Expenditure Credit receivable	9,437	13,344
Foreign currency derivatives	535	3,871
Total current debtors	40,574	49,040
Non-current debtors		
Prepayments	1,169	–
Research and Development Expenditure Credit receivable	1,684	2,113
Total non-current debtors	2,853	2,113

* The comparative information is restated as a result of the correction of errors. See note 23.

The carrying value of debtors classified at amortised cost approximates fair value.

The Research and Development Expenditure Credit is a scheme introduced by the UK government with the primary goal to reward the companies operating within the UK concentrating on investing in innovation. The current receivable relates to benefits which will be received as a cash refund within twelve months, while the non-current receivable will be recovered as a reduction on income tax liability in future years.

The foreign currency derivatives balance is the fair value of open derivatives positions used to economically hedge currency exposure.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using lifetime expected credit loss provision for trade receivables and contract assets. The Company's historical experience has not identified significant credit losses to be incurred on sale of the goods and services, and as such no general expected credit loss has been recognised in these accounts. Any provision for credit losses recognised is therefore based on specific customer circumstances known to the Company.

The lifetime expected loss provision for trade receivables and contract assets is as follows:

(GBP in thousands)	Gross	Allowance for credit losses	Gross	Allowance for credit losses
	As at 31 December		As at 31 December	
	2023	2023	2022	2022
Not past due	5,799	–	5,812	–
Past due 0-90 days	1,795	–	1,898	(1,819)
Past due greater than 90 days	3,123	(1,944)	455	(227)
	10,717	(1,944)	8,165	(2,046)

Notes to the Financial Statements

Movements in the impairment allowance for trade receivables are as follows:

(GBP in thousands)	Year ended 31 December	
	2023	2022
Opening allowance for credit losses	2,046	–
Increase during the year	17	2,046
Receivable written off during the year as uncollectible	(17)	–
Unused amounts reversed	8	–
Movement in provision for impairment during the year	–	–
Foreign exchange movements	(110)	–
As at 31 December	1,944	2,046

The receivables, which originated in 2022 and were provided for in full, relate to two customers placed under US Government trade sanctions which have severely restricted their ability to trade. Accordingly, management have taken the view that the recoverability of these amounts is uncertain, however, management continue to pursue collection. Movement in the allowance for credit losses is recognised in the Income Statement.

16. Creditors: amounts falling due within one year

(GBP in thousands)	As at 31 December	
	2023	2022 (restated*)
Creditors: amounts falling due within one year		
Trade creditors	1,121	4,818
Amounts owed to parent undertaking	64,645	72,337
Amounts owed to subsidiary undertakings	8,573	9,154
Taxation and social security	2,378	1,678
Other creditors	213	1,611
Lease liability	2,578	1,882
Accruals and contract liabilities	50,624	19,691
Total creditors: amounts falling due within one year	130,132	111,171

Intercompany balances are non-interest bearing and repayable on demand.

There are no material differences between any carrying values and fair market values.

Revolving credit facility

In July 2023, Imagination entered into a £35.0 million revolving credit facility ("RCF") with a consortium of banks, inclusive of an existing £3.0 million overdraft facility.

On 7 July 2023, \$15.0 million and £2.4 million was drawn down on the RCF. These balances were repaid on 10 August 2023. As a direct result of entering into the RCF, Imagination incurred transaction fees of £839 thousand. These fees are being amortised over the three year term of the RCF. As at 31 December 2023 the full amount of the RCF, £35.0 million, was undrawn.

Notes to the Financial Statements

17. Creditors: amounts falling due after more than one year

	As at 31 December	
	2023	2022 (restated*)
(GBP in thousands)		
Creditors: amounts falling due after more than one year		
Lease liability	13,787	13,497
Contract liabilities and other creditors	10,067	2,111
Total creditors: amounts falling due after more than one year	23,854	15,608

18. Provisions

(GBP in thousands)	Legal	Dilapidations	Total
As at 1 January 2022	1,000	461	1,461
Additional provision required	653	62	715
As at 31 December 2022	1,653	523	2,176
Additional provision required	–	542	542
Net utilisation of provision	–	(62)	(62)
Exchange differences on translation	(82)	–	(82)
As at 31 December 2023	1,571	1,003	2,574

The dilapidation provision is due to the contractual requirement to restore leased premises to their original condition at the end of their respective lease terms and is expected to fall due after more than one year and has been shown as non-current liability.

The legal provision has been raised in respect to ongoing cases and the recognised provision reflects the Company's best estimate of the most likely outcome following obtaining legal advice and is expected to be utilised within one year after 31 December 2023.

19. Share-based payments

CBIHIL, of which the Company is a wholly owned subsidiary and which is a subsidiary of the Parent, granted equity incentive shares, designated as A and B Class Growth Shares of CBIHIL, to certain of the Company's executive officers and other personnel of the Company, in exchange for services provided to and for the benefit of the Company. The total allotted A Shares was 825 and the total allotted B Shares was 175, with a subscription price of \$72 per share, which is immediately payable in full.

The awards vest 20% annually over five years, with vesting for the A Shares commencing on 1 January 2020 and vesting for the B Shares commencing on 1 January 2021. For the A shares, the service commencement date was deemed to be 23 October 2020. If a participant leaves employment with the Company and is a "good leaver" at the leave date, the unvested proportion will be forfeited. Otherwise, the award will be forfeited. Volatility was estimated based on the selected volatility of guideline companies and relieved to account for differences in leverage.

Upon an Initial Public Offering ("IPO"), a Majority Sale, an Asset Sale or a Majority Issue (each as defined in the Amended and Restated Memorandum and Articles of Association of CBIHIL), where the value of the Company exceeds \$800 million (individually and collectively considered as "Exit Events"), A and B Class Growth Shares will vest in full at that point, and, in the event of an IPO, will convert into ordinary shares of the new listed entity.

Notes to the Financial Statements

The following table summarises unvested A and B Class Growth Shares outstanding:

	A Class Growth Shares	B Class Growth Shares
	(not in thousands)	
Outstanding as of 1 January 2022	465	140
Vested	(135)	(15)
Forfeited	(60)	(80)
Outstanding as of 31 December 2022	270	45
Vested	(110)	(15)
Forfeited	(50)	—
Outstanding as of 31 December 2023	110	30

The grant date fair value for both A and B Growth Shares was \$4,185 per share. The following table lists the inputs to the model used for the A and B Class Growth Shares fair value determination at grant date:

Risk-free interest rate	0.37%
Expected volatility	39%
Dividend yield	—%
Model used	Black-Scholes

The total expense recognised in the year ended 2023 was £249 thousand (2022: £560 thousand) with a corresponding increase in equity within capital contribution from Parent.

As at 31 December 2023, the total unrecognised compensation expense related to the A and B Growth Shares was £95 thousand, which the Company expects to recognise over a period of two years.

Other share based arrangements:

In 2023, share-based payment arrangements were put in place for certain of the Company's employees which vests upon 36 months of continued time-based service or immediate vests in full upon a 'Qualifying Transaction' which includes an IPO or change of control. The awards can be settled in stock through conversion into ordinary shares of a new listed entity, or if no event happens after 36 months, in cash. As at 31 December 2023 a Qualifying Transaction was not yet probable, and the Company accounted for the awards as cash-settled and recognized a liability for the portion vested of £708 thousand. The calculation of compensation cost recognised in the Income Statement in respect of these awards assumes forfeitures due to employee turnover of 8.7% per annum prior to vesting, and is adjusted to reflect actual experience.

20. Capital and reserves

Share capital

	Allotted, called-up and fully paid	
	(not in thousands)	(GBP in thousands)
Ordinary shares of £1.00 each		
Balance as at 1 January 2022	14,161,291	14,161
Balance as at 1 January 2023	14,161,291	14,161

Capital contribution from Parent

The capital contribution from the Parent of £249 thousand in 2023 (2022: £560 thousand) comprises the other non-capital equity contributions made by the Parent associated with the share-based incentives described in Note 19.

Notes to the Financial Statements

Fair value reserve of financial assets at FVTOCI

This reserve comprises the change in the valuation of equity investments designated at FVTOCI described in Note 13.

21. Capital commitments

At 31 December 2023, the Company had contractual capital commitments of £592 thousand (2022: £556 thousand) due within one year.

22. Related parties

(GBP in thousands)	Year ended 31 December	
	2023	2022
Income Statement		
Revenue from SPS&T	–	(9)
Fees charged by Canyon Bridge ¹	(339)	(324)
Total	(339)	(333)

(GBP in thousands)	Year ended 31 December	
	2023	2022
Statement of Financial Position		
Other payables – Canyon Bridge	(8)	(28)
Accruals – Canyon Bridge ¹	(129)	(75)
Other receivables – loans to Directors related to Growth Shares ²	25	27
Capital contributions – Canyon Bridge	2,636	2,387

¹ Relates to fees charged by Canyon Bridge for services provided to the Group.

² During the year ended 31 December 2021, the Company advanced unsecured loans to the Directors of the Company which totalled USD \$32,400. As at 31 December 2023, USD \$32,400 (£25,448) (2022: USD \$32,400 (£26,783)) remains outstanding. The loans are interest free and repayable at the latest by 31 December 2030. During the year to 31 December 2023, no expense for bad and doubtful debts has been incurred in respect to the loans (2022: £nil), and no provisions for doubtful debts have been recognised against the loan balances (2022: £nil).

23. Correction of errors

During the year ended 31 December 2023, the Company determined that the financial statements for the prior period contained errors related to the following areas:

- (a) Application of IFRS 16 Leases – A lease modification in a prior period was not previously included in the lease accounting. The impact has resulted in an increase of the right-of-use asset and lease liability of £1.0 million as at 1 January 2022 and as at 31 December 2022. The impact to the Income Statement was not material and therefore was not restated.
- (b) Derivatives – Foreign currency derivatives were incorrectly fair valued as at 31 December 2022. The revaluation of the derivatives increased other income by £1.0 million and on the Statement of Financial Position debtors was increased by £1.0 million.

Notes to the Financial Statements

The following tables summarise the impacts on the Company's Financial Statements.

Statement of Financial Position

1 January 2022 (GBP in thousands)	Impact of error correction		
	As restated	Adjustments	As previously reported
Right-of-use assets (a)	15,354	1,013	14,341
Lease liabilities (a)	(14,531)	(1,013)	(13,518)
Net assets	823	–	823

31 December 2022 (GBP in thousands)	Impact of error correction		
	As restated	Adjustments	As previously reported
Right-of-use assets (a)	14,744	1,013	13,731
Debtors (b)	49,040	964	48,076
Total assets	63,784	1,977	61,807
Lease liabilities (a)	(15,379)	(1,013)	(14,366)
Total liabilities	(15,379)	(1,013)	(14,366)
Accumulated deficit (b)	(6,546)	964	(7,510)
Total equity	(6,546)	964	(7,510)

Income Statement

For the year ended 31 December 2022 (GBP in thousands)	Impact of error correction		
	As restated	Adjustments	As previously reported
Other operating income and expenses (a)	3,292	964	2,328
Profit before interest and taxation	18,310	964	17,346
Profit before taxation	17,990	964	17,026
Profit for the financial year	12,200	964	11,236

24. Prior year reclassification

The Company's accounts have been reclassified to recognise debit balances recorded under accruals to debtors. A summary of the prior year accounting impact on the Company's accounts is as follows:

(GBP in thousands)	As at 31 December 2022
Increase in Current assets: Debtors	189
Increase in Creditors: amounts falling due within one year	(189)

25. Subsequent Events

In the period from 1 January 2024 to the date of signing of these Financial Statements, no subsequent events have been identified.

Notes to the Financial Statements

26. Ultimate parent company and parent undertaking of larger group

The Company is a subsidiary undertaking of CBFI Investment Limited, the parent company into whose 31 December 2023 Financial Statements the results of Imagination Technologies Limited are consolidated.

No other group financial statements include the results of the Company. The Consolidated Financial Statements are available from Imagination House, Home Park Industrial Estate, Station Road, Kings Langley, WD4 8LZ.

The ultimate parent company at the date of this report is China Venture Capital Fund Corporation Limited, a company incorporated in China.