

Company registration number 286266 (Republic of Ireland)

KEYWORDS INTERNATIONAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

KEYWORDS INTERNATIONAL LIMITED

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KEYWORDS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors Andrew Kennedy
Denis O'Sullivan
Rob Kingston
Giacomo Duranti (resigned 18 October 2024)
Jon Hauck (resigned 18 October 2024)

Secretary Andrew Kennedy

Company number 286266

Registered office Whelan House
South County Business Park
Leopardstown
Dublin
D18T9P8

Auditor BDO Registered Auditors
Block 3, Miesian Plaza
50-58 Baggot Street Lower
Dublin 2
D02 Y754

Bankers Citi International plc
1 Northwall Quay
Dublin 1
D01 T8Y1

Solicitors DWF LLP
20 Fenchurch Street
London EC3M 3AG
United Kingdom

KEYWORDS INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Principal activity

The principal activity of the company is translation and testing services for the computer games industry. The company continues to increase its market base resulting in solid performances in turnover and profits.

Review of the business

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

Results and dividends

The company recorded a profit after taxes for the financial year of \$ 75,157,431 (2023 profit: \$ 4,586,780).

There were \$ 8,151,571 of dividends paid during the financial year 31 December 2024 (2023: \$10,930,000).

Directors and secretary

The Directors who held office during the year and up to the date of signature of the financial statements, were as follows:

Andrew Kennedy

Denis O'Sullivan

Rob Kingston

Giacomo Duranti

(Resigned 18 October 2024)

Jon Hauck

(Resigned 18 October 2024)

Future developments

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

Principal risks and uncertainties

Liquidity, credit and cash flow risk

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

Currency risk

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

Market risk

The company is exposed to the economic risk of a worldwide slowdown in growth. Many of its customers are based outside Ireland. The company continues to offer quality products at competitive prices to a broad range of international customers, to protect itself in this regard.

Directors' compliance statement

As required by section 225(2) of the Companies Act 2014, the directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations (as defined in that legislation). The directors have not formally documented a specific compliance policy statement setting out the company's policies respecting compliance by the company with its relevant obligations as of the date of signing of these financial statements. However, the directors believe that appropriate arrangements and structures are in place to ensure material compliance with the company's relevant obligations. These arrangements and structures are reviewed by the directors on an ongoing basis.

KEYWORDS INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of directors' responsibilities

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

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Electoral Act, 1997

The company made no political donations during the year.

Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act, 2014, with regard to accounting records by employing accounting personnel with appropriate expertise and providing adequate resources to the financial function. The accounting records of the company are maintained at Whelan House, South County Business Park, Leopardstown, Dublin 18, D18 T9P8.

Post balance sheet events

There were no significant events affecting the company after the Statement of Financial Position date.

Statement on relevant audit information

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

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

KEYWORDS INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Statement on audit committee


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

Auditors

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

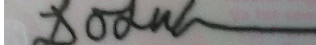
On behalf of the board

Signed by:


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Andrew Kennedy
Director

Signed by:


.....6A3841B98774498.....

Denis O'Sullivan
Director

Date: 6th March 2026



Tel: +353 1 470 0000
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E-mail: info@bdo.ie
bdo.ie

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYWORDS INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

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

In our opinion the accompanying financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

Brian Hughes
Ronan Harbourne
Diarmuid Hendrick
Liam Hession
Ken Kilmartin

Stephen McCallion
Aine McInerney
Teresa Morahan
Ursula Moran
Siobhan Phelan

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

Other information

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

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

We have nothing to report in this regard

Opinions on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

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

Respective responsibilities

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

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

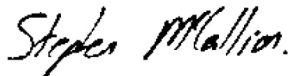
Auditor's responsibilities for the audit of the financial statements

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

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

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date 09/03/2026

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

	Note	2024 \$	2023 \$
Turnover	4	400,148,311	372,858,640
Cost of sales		(338,130,572)	(313,809,386)
Gross profit		62,017,739	59,049,254
Administrative expenses		(54,147,919)	(42,776,955)
Share Option Expense		(3,493,802)	(2,930,812)
One time gains / (costs)		67,099,177	(6,627,308)
Operating profit	5	71,475,195	6,714,179
Dividend income		-	5,756,442
Interest receivable and similar income	6	6,097,656	-
Interest payable and similar charges	7	(221,111)	(7,028,451)
Profit on ordinary activities before taxation		77,351,740	5,442,170
Tax on profit on ordinary activities	8	(2,194,309)	(855,390)
Profit for the financial year		75,157,431	4,586,780

Gains and losses arise solely from continued operations there were no gains or losses other than as reflected above. The notes on pages 11 to 28 form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 6th March 2026 and were signed on its behalf by:

Signed by:

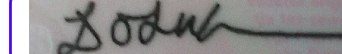


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Andrew Kennedy

Director

Signed by:



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Denis O'Sullivan

Director

KEYWORDS INTERNATIONAL LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

	Note	2024		2023	
		\$	\$	\$	\$
Non-current assets					
Tangible fixed assets	11	17,132,845		5,421,049	
Intangible fixed assets	12	194,103		252,706	
Investments	13	362,093,791		96,215,730	
Debtors: amounts falling due greater than one year	14	1,222,721		511,257	
		380,643,460		102,400,742	
Current assets					
Debtors: amounts falling due within one year	14	186,094,507		128,626,305	
Cash at bank and in hand		76,795		2,727,300	
		186,171,302		131,353,605	
Creditors: amounts falling due within one year	15	(179,426,543)		(187,628,928)	
Net current assets/(liabilities)		6,744,759		(56,275,320)	
Total assets less current liabilities		387,388,219		46,125,422	
Creditors: amounts falling due after more than one year	16	-		(4,186,114)	
Net assets		387,388,219		41,939,308	
Capital and reserves					
Called up share capital presented as equity	17	204		249	
Share premium account		1,302,516		1,316,737	
Foreign exchange reserve		-		1,144,300	
Capital contribution	18	277,000,000		-	
Other reserve		3,610,464		1,008,847	
Profit and loss account		105,475,035		38,469,175	
Total equity		387,388,219		41,939,308	

Gains and losses arise solely from continued operations there were no gains or losses other than as reflected above. The notes on pages 11 to 28 form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 6th March 2026 and were signed on its behalf by:

Signed by:



2BB4D7069CCB4FB
Andrew Kennedy
Director

Signed by:



6A3811B08774493
Denis O'Sullivan
Director

KEYWORDS INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital \$	Share premium account \$	Foreign exchange reserve \$	Capital contribution \$	Other Profit and loss reserve \$	Profit and loss account \$	Total \$
Balance at 1 January 2023		249	-	2,824,857	-	-	44,812,395	47,637,501
Year ended 31 December 2023:								
Profit for the year		-	-	-	-	-	4,586,780	4,586,780
Dividend paid	9	-	-	-	-	-	(10,930,000)	(10,930,000)
Share-based payments expense		-	-	-	-	1,008,847	-	1,008,847
Share premium arising on shares issued		-	1,316,737	-	-	-	-	1,316,737
Other comprehensive income		-	-	(1,680,557)	-	-	-	(1,680,557)
Balance at 31 December 2023		249	1,316,737	1,144,300	-	1,008,847	38,469,175	41,939,308
Changes in equity								
Profit for the period (7 months)		-	-	-	-	-	11,170,441	11,170,441
Dividend paid		-	-	-	-	-	(2,151,571)	(2,151,571)
Other comprehensive income		-	-	1,086,055	-	-	-	1,086,055
At 31 July 2024		249	1,316,737	2,230,355	-	1,008,847	47,488,045	52,044,233
Change in functional currency on 01 August 2024		(45)	(14,221)	(2,230,355)	-	1,429	-	(2,243,192)
Profit for the period (5 months)		-	-	-	-	-	63,986,990	63,986,990
Dividend paid		-	-	-	-	-	(6,000,000)	(6,000,000)
Share-based payments expense		-	-	-	-	2,600,188	-	2,600,188
Capital contribution		-	-	-	277,000,000	-	-	277,000,000
Balance at 31 December 2024		204	1,302,516	-	277,000,000	3,610,464	105,475,035	387,388,219

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Company information

Keywords International Limited is a private company limited by shares (registered under the Companies Act 2014) incorporated in the Republic of Ireland. The Registered Office is Whelan house, South County Business Park, Leopardstown, Dublin, D18 T9P8, which is also the principal place of business of the company. The Company Registration Number is 286266. The nature of the company's operations and its principal activities are set out in the Directors' Report on page 2.

2 Basis of preparing the financial statements

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

The company has not prepared a consolidated set of financial statements in accordance with the provisions of Section 300 of the Companies Act, 2014, and the requirements of Financial Reporting Standard 102, on the basis that it is a wholly owned subsidiary which is fully consolidated into the financial statements of Keywords Studios Limited, a company incorporated in England and Wales (no. 08548351) whose registered office is at Fourth Floor, 110 High Holborn, London, WC1V 6JS.

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

Per FRS 102 paragraph 30.9:

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

Financial Reporting Standard 102 – reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of the parent company Keywords Studios Limited as at 31 December 2024.

Going concern

The Directors have performed an assessment, including a review of the company's budget for the 2025 financial year and its longer term plans. In doing so the Directors have noted the strong continued demand for the Group's services, the ability to operate most of its services in a work from home model whilst studios are temporarily closed, the historical resilience of the broader video games industry in times of economic downturn and the ability of the Group to flex its cost base in response to a reduction in trading activity.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Basis of preparing the financial statements (continued)

The Directors have also considered the company's strong liquidity position, with access to cash and external financing via the Group structure. The Directors are satisfied that the company and the Group have adequate resources to continue to operate and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. For this reason they continue to adopt the going concern basis for preparing the financial statements.

Revenue from contracts with customers

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

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

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

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

Game Development

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

Art Services

Art Services relate to the production of graphical art assets for inclusion in the video game, including concept art creation along with 2D and 3D art asset production and animation. Contracts can be either time-and-materials based or milestone-based, with performance obligations satisfied over time. Contracts are generally short term in duration; however, for longer contracts the input method is used to measure progress (e.g. worked days relative to the total expected inputs). Time-and-materials based contract revenue is recognised as the related services are rendered.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Basis of preparing the financial statements (continued)

For milestone-based contracts where progress can be measured reliably towards complete satisfaction of the performance obligation, revenue is recognised using the input method to measure progress. Where progress cannot be measured reliably, revenue is recognised on milestone acceptance.

Functional Testing

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

Localization Testing

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

Audio

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

Localization

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

Marketing

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

Player Engagement

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

Share-based payments

The Company issues equity settled share-based payments to certain employees and directors under a long term incentive plan ("LTIP").

The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Basis of preparing the financial statements (continued)

The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Where share-based payments are issued to employees of subsidiary companies, the annual cost of the option is expensed in the subsidiary company, with a corresponding increase in capital contribution from the Company. This annual cost is recorded as an increase in the Company's cost of investment in that subsidiary.

LTIP

An alternative share plan was introduced to give rewards to Directors and staff, subject to outperforming the Numis Small Cap (excluding Investment Trusts) index in terms of shareholder return over a three year period. There are three different award levels; one third of the share options vest if the company shall exceed the Total Shareholder Return of the Numis Small Cap Index by not less than 10%, two thirds if the shareholder return exceeds by over 20% and 100% of the share options if the shareholder return exceeds by over 30%.

These are measured at fair value, taking into account market vesting conditions but not non-market vesting conditions, at the date of grant, measured by using the Monte Carlo binomial model. The charge that is recognised is adjusted to reflect failure to vest due to non achievement of a non-market vesting condition but not failure to vest due to the non-achievement of a market vesting condition.

Restricted stock units

Employees will be granted an award for a set number of shares in Keywords Studios Limited. There is a nominal price of GBP £0.01 per share (to be paid when the award 'vests'). The award 'vests' in two half tranches, subject to the final discretion of the Board of Directors and the employees continued employment at Keywords Studios:

- First tranche – after 2 years
- Second tranche – after 2.5 years

Following the 'vesting' of each tranche of the award, and the employee's payment of the nominal price of GBP £0.01 per share, Keywords Studios will transfer the relevant shares to the employee. The employee can then choose to either hold the shares or sell the shares at market price.

Restricted stock units are not subject to a performance measure but are subject to continued employment over two years. These are principally used as a retention mechanism for key roles across the Group.

Income taxes and deferred taxation

Provision for income taxes is calculated in accordance with the tax legislations and applicable tax rates in force at the balance sheet date.

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

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

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

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Basis of preparing the financial statements (continued)

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

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

Dividend distribution

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

Property, plant and equipment

Property, plant and equipment comprise computers, leasehold improvements, and office furniture and equipment, and are stated at cost less accumulated depreciation. Carrying amounts are reviewed on each balance sheet date for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

	%
Computers and Software	3 to 5 years
Office furniture and equipment	10 years
Building and leasehold improvements	over the length of the lease

Subsequent expenditures are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Intangible assets

Intangible assets comprises intellectual property these are valued using the cost model. The cost model states that an asset shall be carried at cost less accumulated depreciation and impairment losses. Intangible assets have a useful life of five years. During the period of development, assets are tested for impairment annually. If specific events indicate that impairment of an item of intangible assets may have taken place, the item's recoverability is assessed by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of the fair value net of disposal costs and the value in use.

Investments

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

Provisions

Provisions, which are liabilities of uncertain timing or amount, are recognised when the Company has a present obligation as a result of past events, if it is probable that an outflow of funds will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Basis of preparing the financial statements (continued)

Financial assets

The Company classifies its financial assets depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity or available-for-sale financial assets. The Company does not hold any financial assets at fair value through profit and loss.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Trade receivables which principally represent amounts due from customers are carried at fair value less an estimate made for bad and doubtful debts based on a review of all outstanding amounts at the year-end.

An estimate for doubtful debts is made when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of receivables. Bad debts are written off when identified.

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

Financial liabilities

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share capital

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

Long-term liabilities

Long-term liabilities are those liabilities that are due for repayment or settlement in more than twelve months from the balance sheet date.

Leased assets

Where substantially all of the risks and rewards of ownership are not transferred to the Company ("operating lease"), the total rental payables are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Transactions and balances

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

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

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Basis of preparing the financial statements (continued)

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

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

3 Significant judgements and estimates

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

The areas requiring the use of estimates and critical judgements that may significantly impact the Company's earnings and financial position are revenue recognition in respect of accrued income and computation of income taxes. Estimates and judgements are continually evaluated and are based on historic experience and other factors including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates and assumptions.

Accrued income

Judgement is required in respect of the amount of accrued income recognised at the balance sheet date. The amount of accrued income is determined based on an assessment of the expected amount of unbilled time costs in respect of work commenced prior to the close of a particular year end that will be invoiced to customers after that year end date.

Valuation of investments and intercompany receivable balances

Management have determined whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

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

Intellectual property

Intangible assets are recognised as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably. Intangible assets that are acquired by the company are stated at cost less accumulated amortization (see below) and impairment losses, if any. Subsequent expenditures on capitalised intangible assets are capitalised only when they increase the future economic benefits embodied in the specific assets to which they relate. All other expenditure is expensed as incurred. Other intangible assets with definite useful lives are amortised from the date they are available for use on a straight-line basis over their useful lives, being the estimated period over which the company will use the assets. Residual amounts, useful lives and the amortization methods are reviewed at the end of every accounting period.

Following initial recognition of the development expenditure as an intangible asset, the cost model is applied requiring the intangible asset to be carried at cost, less any accumulated amortization and accumulated impairment losses. The intangible asset is amortised on a straight line basis over the period of its expected benefit, starting from the date of full commercial use of the product. During the period of development, the asset is tested for impairment annually. If specific events indicate that impairment of an item of intangible asset may have taken place, the item's recoverability is assessed by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of the fair value net of disposal costs and the value in use.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Significant judgements and estimates (continued)

Income taxes

The Company is subject to income tax in Ireland and judgement may be required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination may be uncertain. As a result, the company recognises tax liabilities based on an understanding of taxation legislation in Ireland and any related estimates of whether taxes and/or interest will be due. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

4 Turnover

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

5 Profit on ordinary activities before taxation

	2024	2023
	\$	\$
The operating profit is stated after charging:		
Depreciation - tangible fixed assets (see note 11)	4,164,963	2,279,472
Foreign exchange differences	(6,097,656)	6,791,065
Fees payable to the company's auditor for the audit of the company's financial statements	33,114	41,413
Cost of acquisition (M&A)	2,477,577	1,465,435
Cost of integration	307,448	287,462
Intercompany profit on transfer of subsidiaries (see note 13)	(69,810,477)	-
Onerous provisions	-	288,637
Fair value adjustments to Non-Current Assets	(73,725)	3,691,995
Share option cost	3,493,802	2,904,669
Operating lease charges	772,091	846,527
	<u> </u>	<u> </u>

6 Financing income and costs

Interest receivable and similar income

	2024	2023
	\$	\$
Foreign exchange gain	6,097,656	-
	<u> </u>	<u> </u>
	<u>6,097,656</u>	<u> </u>

KEYWORDS INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****7 Interest payable and similar charges**

	2024	2023
	\$	\$
Bank charges	151,911	123,522
Finance expense	69,199	113,865
Foreign exchange losses	-	6,791,065
	<u>221,111</u>	<u>7,028,451</u>

8 Taxation

	2024	2023
	\$	\$
Current tax:	2,916,131	920,268
Deferred tax:	(721,822)	(64,878)
Tax on profit on ordinary activities	<u>2,194,309</u>	<u>855,390</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	\$	\$
Profit before taxation	<u>77,351,740</u>	<u>5,442,170</u>
Expected tax charge based on the standard rate of corporation tax in Ireland of 12.50% (2023: 12.50%)	9,668,967	680,271
Expenses not allowed for tax purposes	467,581	1,028,100
Group loss relief	(1,580,082)	(149,088)
Depreciation in excess of capital allowances	19,705	81,149
Other timing differences	303,152	(16,270)
Prior year under / (over) provision	1,703,735	(58,975)
Income taxed at higher 25% rate	167,396	469,796
Credit for foreign taxes	(33,054)	(1,116,502)
Income tax withheld	5,568	1,785
Restructuring transaction	(8,726,310)	-
Withholding tax incurred	919,473	-
Total current tax charge	<u>2,916,131</u>	<u>920,268</u>

KEYWORDS INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****9 Dividends**

	2024		2023	
	Per share \$	Total \$	Per share \$	Total \$
Interim dividends paid	145	2,151,571	444	6,562,800
Interim dividends paid	405	6,000,000	-	-
Final dividends paid	-	-	295	4,367,200
	<u>550</u>	<u>8,151,571</u>	<u>739</u>	<u>10,930,000</u>

An interim dividend of \$ 145 per ordinary share was declared on 20 June 2024. The \$2,151,571 was paid on 26 June 2024.

An interim dividend of \$ 405 per ordinary share was declared on 19 December 2024. The \$6,000,000 was paid on 20 December 2024.

10 Employee benefits

	2024 \$	2023 \$
Salaries and related costs	7,322,314	9,673,518
Share-based payment cost	3,493,802	2,930,812
	<u>10,816,116</u>	<u>12,604,330</u>

Directors' remuneration (included in staff costs above) was as follows:

	2024 \$	2023 \$
Salaries and related costs	917,138	531,242
Pension costs	34,052	40,273
Share-based payment costs	4,375,655	-
	<u>5,326,845</u>	<u>571,515</u>

Salaries and related costs include an amount of €244,605 payable to a former Director as compensation for loss of office.

	2024 Number	2023 Number
Average number of employees		
Operations	183	276
General and administration	48	58
	<u>231</u>	<u>334</u>

KEYWORDS INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****11 Tangible fixed assets**

	Leasehold Improvements	Furniture and equipment	Computers and software	Total
	\$	\$	\$	\$
Cost				
At 1 January 2024	415,214	617,343	12,568,790	13,601,347
Additions	126,824	-	15,914,122	16,040,946
Disposals	-	-	(342,122)	(342,122)
Foreign exchange movement	(8,427)	(12,526)	(192,630)	(213,583)
At 31 December 2024	<u>533,611</u>	<u>604,817</u>	<u>27,948,160</u>	<u>29,086,588</u>
Depreciation				
At 1 January 2024	279,085	346,736	7,554,477	8,180,298
Charge for the year	86,717	53,116	4,025,130	4,164,963
Disposals	-	-	(289,325)	(289,325)
Exchange adjustments	(5,663)	(7,035)	(89,495)	(102,193)
At 31 December 2024	<u>360,139</u>	<u>392,817</u>	<u>11,200,787</u>	<u>11,953,743</u>
Net book amount at 31 December 2024	<u>173,472</u>	<u>212,000</u>	<u>16,747,373</u>	<u>17,132,845</u>
Net book amount at 31 December 2023	<u>136,129</u>	<u>270,607</u>	<u>5,014,313</u>	<u>5,421,049</u>

12 Intangible fixed assets

	\$
Cost	
At 1 January 2024	2,755,022
Additions	103,495
Exchange adjustments	(55,222)
At 31 December 2024	<u>2,803,295</u>
Amortisation	
At 1 January 2024	2,502,317
Charge for the year	156,997
Exchange adjustments	(50,122)
At 31 December 2024	<u>2,609,192</u>
Net book amount at 31 December 2024	<u>194,103</u>
Net book amount at 31 December 2023	<u>252,705</u>

KEYWORDS INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****13 Investments**

	2024
	\$
Opening balance at 01 January 2024	96,215,730
Disposals	(6,364,874)
Additions	277,000,001
Foreign exchange movement	(4,757,066)
	<hr/>
Closing balance at 31 December 2024	362,093,791
	<hr/> <hr/>

Disposals

Company	Countries of operation	\$
d3t Limited	United Kingdom	1,868,718
Player Research Limited	United Kingdom	4,496,156
		<hr/>
		6,364,874
		<hr/> <hr/>

On 27 September 2024, the Company sold its entire shareholding in Player Research Limited and d3t Limited. The shares were purchased by Keywords Studios Limited (formerly Keywords Studios Plc) at their market values of STG £2,464,685 and STG£55,552,018 respectively.

Additions

Company	Countries of operation	\$
Keywords US Holding Inc	United States	277,000,000
Spov Limited	United Kingdom	1
		<hr/>
		277,000,001
		<hr/> <hr/>

On 30 September 2024, Keywords Studios Limited (formerly Keywords Studios Plc) made an unconditional capital contribution to the distributable reserves of the company in the amount of \$277 million. On the same date, the Company made an unconditional capital contribution to the distributable reserves of its subsidiary undertaking, Keywords US Holdings Inc.

KEYWORDS INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****14 Debtors**

	2024	2023
Amounts falling due within one year:	\$	\$
Trade receivables	48,802,838	41,496,444
Corporation tax receivable	556,789	2,083,826
Intercompany receivables (note 19)	130,071,805	80,694,248
Prepayments	5,518,902	4,075,719
Accrued income	1,144,173	276,068
	<u>186,094,507</u>	<u>128,626,305</u>

Short term amounts receivable from the parent company are interest free and repayable on demand. The terms of other debtors are based on the underlying contracts.

	2024	2023
Amounts falling due after more than one year:	\$	\$
Deferred tax asset	1,222,721	511,257
	<u>1,222,721</u>	<u>511,257</u>

15 Creditors: amounts falling due within one year

	2024	2023
Intercompany payables (note 19)	169,816,426	181,948,621
Trade payables	4,934,362	1,599,491
Payroll taxes	196,948	312,536
Other payables	403,898	819,490
Accrued expenses	4,074,909	2,948,790
	<u>179,426,543</u>	<u>187,628,928</u>

The terms of amounts owed to group undertakings are based on the underlying contracts and are interest bearing. The terms of other payables and deferred consideration on acquisitions are based on the underlying contracts and are interest free.

16 Creditors: amounts falling due after more than one year

	2024	2023
	\$	\$
Intercompany loans payable	-	4,186,114
	<u>-</u>	<u>4,186,114</u>

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Share capital

	2024	2023
	Number	Number
Share capital is comprised of €0.01269738 shares as follows		
Authorised	10,000,000	10,000,000
Issued and paid up	14,798	14,798
	2024	2023
	\$	\$
Issued and paid up		
Share capital	204	249

Note: The ordinary shares hold no right to fixed income.

Called up share capital

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

18 Capital contribution

	2024	2023
	\$	\$
Capital contribution	277,000,000	-

The account represents receipts of capital from the Company's immediate parent company without issuance of shares. The Company had a capital contribution reserve at the end of 2024 of \$277 million.

19 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party.

The details of key management compensation (being the remuneration of the directors) are set out in Note 10.

As at 31 December 2024 and 2023, the company had current amounts receivable from / payable to its subsidiaries amounting to \$130,071,805 (2023: \$80,694,248) and \$169,816,426 (2023: \$181,948,621) respectively, relating to intercompany trading activities. Amounts owed to group undertakings are based on the underlying contracts and are interest bearing.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Subsidiaries

At 31 December 2024, the Company owned 100% of the ordinary shares of the following companies.

Name of undertaking	Country of incorporation	Date of incorporation/ acquisition	Nature of business
Keywords International Co. Limited	Japan	30/11/2010	Trading company
Keywords International Pte. Limited	Singapore	24/03/2014	Trading company
Keywords Studios Italy S.R.L.	Italy	08/05/2014	Trading company
Keywords (Shanghai) Information Technology Ltd	China	02/04/2015	Trading company
Keywords Studios Spain SLU	Spain	16/07/2015	Trading company
Keywords Studios France SAS	France	08/06/2016	Trading company
Spov Limited *	United Kingdom	16/02/2017	Dormant
Strongbox Limited	Seychelles	19/05/2017	Trading company
Keywords US Holdings Inc.	United States	23/10/2017	Trading company
Keywords Canada Holdings Inc.	Canada	27/10/2017	Trading company
Sperasoft Studio LLC	Russian Federation	13/12/2017	Trading company
Keywords Studios Netherlands B.V.	Netherlands	12/02/2019	Trading company
Keywords Germany Holdings GmbH	Germany	06/09/2019	Trading company
Xcelerator Machine Translations Limited	Ireland	10/12/2019	Trading company
Keywords Studios Korea Corporation	South Korea	11/01/2021	Trading company
Keywords Studios Poland Spółka z.o.o.	Poland	04/02/2021	Trading company
AMC RO Studios S.R.L.	Romania	10/08/2021	Trading company
Keywords Sperasoft LLC	Armenia	07/04/2022	Trading company
Keywords Studios Malta Limited	Malta	04/05/2022	Trading company
Keywords Studios d.o.o. Beograd	Serbia	18/05/2022	Trading company
Keywords Studios Romania S.R.L.	Romania	15/06/2022	Trading company
Sperasoft Studios FZ-LLC	United Arab Emirates	30/03/2023	Trading company

* Currently in liquidation

On 01 September 2024, the Company sold its entire shareholding in Player Research Limited and d3t Limited. The shares were purchased by Keywords Studios Limited (formerly Keywords Studios Plc) at their market values of STG£2,464,685 and STG£55,552,018 respectively.

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Financial instruments

The Company is exposed to a variety of financial risks, which result from its financing, operating and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and position. The Company's financial instruments are its cash, trade and other receivables, related party debtors, accounts payable and accrued expenses. The main purpose of these financial instruments is to raise finance for the Company's operation. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from the Company's financial instruments are credit risks and market price risks, which include interest rate risk, currency risk and equity price risk. The risk management policies employed by the Company to manage these risks are discussed below.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest changes. The management monitors interest rate fluctuations on a continuous basis and acts accordingly.

Where the Company has generated a significant amount of cash, it will invest in higher earning interest deposit accounts. These deposit accounts are short term with fixed interest rates, and so the Company is not unduly exposed to market interest rate fluctuations, and no interest rate sensitivity analysis has been presented as a result.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

The Company closely monitors the activities of its counterparties and regular contact which enables it to ensure the prompt collection of customers' balances.

The Company's main financial assets are cash and cash equivalents as well as trade and other receivables and represent the Company's maximum exposure to credit risk in connection with its financial assets. Trade and other receivables are carried on the balance sheet net of bad debt provisions estimated by the Directors based on prior year experience and an evaluation of prevailing economic circumstances.

Whenever possible and commercially practical the Company invests cash with major financial institutions in each jurisdiction where it operates. The Company periodically monitors the credit rating and stability of these institutions.

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

	2024	2023
	\$	\$
Provision at the beginning of the year	783,617	940,707
Charged / (credited) to income statement	1,905,413	(157,090)
	<u>2,689,030</u>	<u>783,617</u>

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Financial instruments (continued)

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The foreign exchange risk arises for the Company where assets and liabilities arise and are held in overseas subsidiaries in a currency other than the euro and to a lesser extent where individual Company entities enter into transactions denominated in currency other than their functional currency.

The Company's policy, where possible, is for the company to manage foreign exchange risk by matching the currency in which revenue is generated and the expenses incurred and by settling liabilities denominated in their functional currency with cash generated from operations in that currency. In order to monitor the Company's exposure to foreign exchange risk, the board receives a monthly analysis of the major currencies held by the company, and of liabilities due for settlement and expected cash reserves.

The Company's policy is not to enter into any currency hedging transactions.

Liquidity risk

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

The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

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

Year ended 31 December 2024

	Total	Within 1 year	1-2 years	2-5 years
	\$	\$	\$	\$
Trade payables	4,934,362	4,934,362	-	-
Other payables - current (note 15)	174,492,181	174,492,181	-	-

Year ended 31 December 2023

	Total	Within 1 year	1-2 years	2-5 years
	\$	\$	\$	\$
Trade payables	1,599,491	1,599,491	-	-
Other payables - current (note 15)	186,029,423	186,029,423	-	-
Other payables - non-current (note 15)	4,186,114	4,186,114	-	-

	2024	2024	2023	2023
	Fair value	Carrying amount	Fair Value	Carrying amount
Cash and cash equivalents	76,795	76,795	2,727,300	2,727,300
Trade receivables	48,802,838	48,802,838	41,496,444	41,496,444
Other receivables - current	137,291,669	137,291,669	87,129,861	87,129,861
Other receivables - non-current	1,222,721	1,222,721	511,257	511,257
Trade payables	(4,934,362)	(4,934,362)	(1,599,491)	(1,599,491)
Other payables - current	(174,492,181)	(174,492,181)	(186,029,423)	(186,029,423)
Other payables - non-current	-	-	(4,186,114)	(4,186,114)

KEYWORDS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Financial instruments (continued)

Other receivables is comprised of intercompany receivables, accrued income, prepayments and corporation tax receivable, as set out in note 14. Other payables is comprised of accrued expenses, payroll taxes, other payables and intercompany payables, as set out in note 15.

22 Operating lease commitments

The Company maintains a portfolio of leased properties. The terms of property leases are tenant repairing with rent reviews every 2 to 5 years and break clauses.

The total future value of the minimum lease payments is due as follows:

	2024	2023
	\$	\$
Not later than one year	241,876	621,867
Later than one year and not later than five years	-	258,969
	<u>241,876</u>	<u>880,836</u>

23 Deferred tax

	Asset	Liabilities	Net	Charged/(credited) to profit or loss
	2024	2024	2024	2024
	\$	\$	\$	\$
Fixed asset excess of accounting over tax	787,530	-	787,530	(498,117)
Other temporary and deductible differences	435,191	-	435,191	(223,705)
	<u>1,222,721</u>	<u>-</u>	<u>1,222,721</u>	<u>(721,822)</u>

24 Events after the reporting date

There were no events subsequent to the year end which would require adjustment or disclosure in these financial statements.

25 Ultimate parent company

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

26 Approval of financial statements

The directors approved the financial statements on the 6th March 2026.