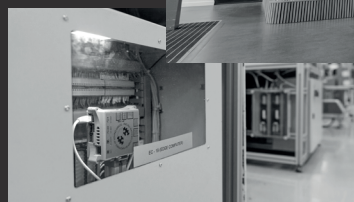
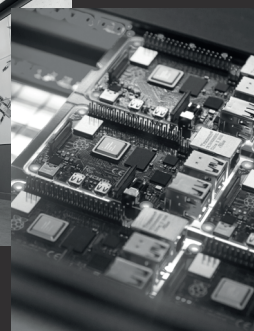




# Prospectus



## ELECTRONIC TRANSMISSION DISCLAIMER

### STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached document, which has been prepared solely in connection with the proposed offer (the “Global Offer”) of ordinary shares (the “Shares”) of Raspberry Pi Holdings plc (the “Company”) and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached unstamped pathfinder prospectus relating to the Company. By reading, accessing or making use of the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person. This electronic transmission and the attached document comprises an advertisement for the purposes of paragraph 3.3.2R of the Prospectus Regulation Rules made under Part VI of the Financial Services and Markets Act 2000 (the “FSMA”). The information in the attached document, which is in draft form, is subject to updating, completion, revision, verification and amendment. The final prospectus (the “Prospectus”) in connection with the admission of the Shares to the premium listing segment of the Official List of the UK Financial Conduct Authority (the “FCA”) and to trading on London Stock Exchange plc’s main market for listed securities (together, “Admission”) is expected to be published in due course. Although it is intended that the Prospectus will be approved by the FCA as a prospectus prepared in accordance with the Prospectus Regulation Rules made under section 73A of the FSMA, this document has not been so approved. Similarly, although it is intended that the Prospectus will be made available to the public in accordance with the Prospectus Regulation Rules, the attached document has not been made available in accordance therewith. It is intended that the Prospectus will be published in due course and, following publication will be available from the Company’s registered office and on the Company’s website at [www.raspberrypi.com](http://www.raspberrypi.com). Pricing information and other related disclosures are expected to be published on this website. Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT AND THE SECURITIES REFERENCED THEREIN MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITHIN THE UNITED STATES TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT (“RULE 144A”) OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE U.S. SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN, OR IN RELIANCE ON, RULE 144A, OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

CANADIAN INVESTORS ARE ADVISED THAT THIS EMAIL AND THE DOCUMENT ATTACHED HERETO MAY ONLY BE TRANSMITTED IN THOSE JURISDICTIONS IN CANADA AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. THE DOCUMENT ATTACHED HERETO IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN ADVERTISEMENT OR A PUBLIC OFFERING IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THE DOCUMENT ATTACHED HERETO OR THE MERITS OF THE SECURITIES DESCRIBED THEREIN AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE DISTRIBUTION OF THE SECURITIES CONTAINED IN THE DOCUMENT ATTACHED HERETO IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT THE COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN SECURITIES REGULATORY AUTHORITIES. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission and the attached document and the Global Offer when made are only addressed to and directed at persons who: (A) if in member states of the European Economic Area (the “EEA”), who are persons who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended) (the “Prospectus Regulation”) (“Qualified Investors”); and (B) if in the United Kingdom, are persons who are “qualified investors” within the meaning of Article 2(e) of the UK version of the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) who are: (i) persons having professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (C) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended)) in connection with the sale of any securities of the Company or any member of its group may otherwise lawfully be communicated; or (D) intermediaries (“Intermediaries”) using the Peel Hunt REX portal for distribution to retail investors in the United Kingdom (all such persons referred to in (B), (C) and (D) together being “relevant persons”). This electronic transmission and the attached document must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any Member State, by persons who are not Qualified Investors. Any investment or investment activity to which the attached document relates (i) in the United Kingdom is available only to, and may be engaged only with, relevant persons, and (ii) in any Member State is available only to, and may be engaged only with, Qualified Investors. By accepting receipt of the attached document, each recipient is deemed to confirm, represent and warrant that they are a relevant person or a Qualified Investor. **Confirmation of your representation:** This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company, the Selling Shareholders (as defined in the attached document) and Jefferies International Limited and Peel Hunt LLP (together with Jefferies International Limited, the “Banks”) that: (i) you are (a) a QIB acquiring such securities for your own account or for the account of another QIB or (b) acquiring such securities in “offshore transactions”, as defined in, and in reliance on, Regulation S under the U.S. Securities Act; (ii) if you are in the UK, you are a relevant person and/or a relevant person who is acting on behalf of relevant persons in the UK to the extent you are acting on behalf of persons or entities in the UK; (iii) if you are in any Member State, you are a Qualified Investor and/or a Qualified

Investor acting on behalf of Qualified Investors or relevant persons to the extent you are acting on behalf of persons or entities in the European Economic Area; (iv) the securities acquired by you in the Global Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may constitute or give rise to an offer of any securities to the public other than their offer or resale, in the UK, to relevant persons, and in any Member State, to Qualified Investors; and (v) if you are outside the United States, UK and EEA (and the electronic mail address that you provided and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

For investors resident in Canada. You acknowledge and agree that: (a) the securities described in the attached document are only being distributed to investors resident in reliance upon a prospectus exemption in certain provinces; (b) you are (i) an “accredited investor” as such term is defined in National Instrument 45-106 – Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), as applicable, and (ii) a “permitted client”, as such term is defined in National Instrument 31-101 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103), and are purchasing the Shares from a dealer registered in Canada or relying on the “international dealer exemption” contained in NI 31-103; and (c) where required by law, you are participating in the offering as principal for your own account and not as agent.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached document, electronically or otherwise, to any other person. The attached document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholders, the Banks or any person who controls any of them or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. A hard copy of the document will be made available to you only upon request to the Company.

By accessing the attached document, you consent to receiving it in electronic form. None of the Banks or any of their respective affiliates accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Shares. The Banks and each of their respective affiliates each accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in the attached document.

The Banks are acting exclusively for the Company and no-one else in connection with the Global Offer. They will not regard any other person (whether or not a recipient of the attached document) as their client in relation to the Global Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for giving advice in relation to the Global Offer or any transaction or arrangement referred to in the attached document.

**Restriction:** If you are not the intended recipient of this transmission, you are hereby notified that any dissemination, distribution or copying of this document is strictly prohibited. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

THE DOCUMENT IS IN PRELIMINARY FORM ONLY, IS NOT COMPLETE AND CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE BUT ONLY ON THE BASIS OF THE FINALISED PROSPECTUS OR ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION OR SUPPLEMENTARY MATERIAL.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

This document comprises a prospectus (the “Prospectus”) relating to Raspberry Pi Holdings plc (the “Company” and, together with its subsidiary undertakings, the “Group”) prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of the Financial Services and Markets Act 2000 (as amended) (the “FSMA”). This Prospectus has been filed with, and approved as a prospectus by, the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the “UK Prospectus Regulation”) and has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation in respect of a prospectus, and such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application has been made to the FCA for all of the ordinary shares in the Company (the “Shares”) issued and to be issued, in connection with the offer of certain Shares to certain institutional, professional and retail investors in the Global Offer (as defined below), to be admitted to the premium listing segment of the Official List of the FCA (the “Official List”) and to London Stock Exchange plc (the “London Stock Exchange”) for all the Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (the “Main Market”) (together, “Admission”). Admission to the Main Market constitutes admission to trading on a regulated market. In the Global Offer, 11,228,572 new Shares (the “New Shares”) are being issued by the Company and 48,060,180 existing Shares (the “Sale Shares” and, together with the New Shares, the “Offer Shares”) are being offered by the Selling Shareholders. Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 11 June 2024. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, at 8.00 a.m. (London time) on 14 June 2024. **All dealings in Shares before the commencement of unconditional dealings will be on a “when issued” basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange. Prior to the Global Offer, there has been no public market for the Shares.**

The directors of the Company, whose names appear on page 41 of this Prospectus (the “Directors”), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

**Prospective investors should read the entire Prospectus and, in particular, are advised to examine all the risks that might be relevant in connection with an investment in the Offer Shares. See Part II: “Risk Factors” for a discussion of certain risks and other factors that should be considered prior to any investment in the Offer Shares**



## Raspberry Pi Holdings plc

*(incorporated under the Companies Act 2006 and registered in England and Wales with registered number 15557387)*

### Prospectus

**Global Offer of 59,288,752 Offer Shares of £0.0025 each at an Offer Price of 280 pence per Offer Share and admission to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange**

The Global Offer comprises an offering of the Offer Shares: (a) in the United States to qualified institutional buyers (“QIBs”) as defined in, and in reliance on, Rule 144A (“Rule 144A”) under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; (b) outside the United States in offshore transactions as defined in, and in reliance on, Regulation S (“Regulation S”) under the U.S. Securities Act; and (c) through the offer of Offer Shares to the Intermediaries using the Peel Hunt REX portal for distribution to retail investors in the United Kingdom (the “REX Intermediaries Offer”). The Offer Shares have not been and will not be registered under the U.S. Securities Act and, subject to certain limited exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

*Joint Sponsors, Joint Global Co-ordinators & Joint Bookrunners*

Jefferies International Limited

Peel Hunt LLP

Issued and fully paid ordinary share  
capital immediately following Admission  
umber Nominal value  
193,415,715 £609,494

Jefferies International Limited and Peel Hunt LLP (each a “Bank” and together the “Banks”) are each authorised and regulated in the UK by the FCA. Each of the Banks is acting exclusively for the Company and no-one else in connection with the Admission and Global Offer. None of the Banks will regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Admission or Global Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for the giving of advice in relation to the Admission or Global Offer or any other transaction, matter or arrangement referred to in this Prospectus. Neither of the Banks or any of their respective affiliates or subsidiary undertakings accepts any responsibility whatsoever for the contents of this Prospectus, including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Global Offer, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Save for the Banks’ responsibilities under the FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, each of the Banks and each of their respective affiliates and subsidiary undertakings disclaims, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement and shall not be responsible for, or for investigating, any matter which is the subject of any statement, representation, warranty or covenant of the Company contained in this Prospectus, or any other agreement or document relating to the Global Offer, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. No representation or warranty, express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this Prospectus, and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not as to the past or future.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. The price of securities and any income derived from them can go down as well as up.

In connection with the Global Offer, Jefferies International Limited as stabilising manager (the “Stabilising Manager”), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Global Offer.

In connection with the Global Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 10 per cent. of the total number of Sale Shares to be sold by the Principal Shareholder in the Global Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from



any such over-allotments and/or from sales of Shares effected by it during the stabilising period, the Principal Shareholder has granted to it the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for up to 4,593,506 additional Shares (representing up to 10 per cent. of the total number of Sale Shares to be sold by the Principal Shareholder in the Global Offer) (the “Over-allotment Shares”) at the Offer Price. The Over-allotment Option is exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Global Offer and will form a single class for all purposes with the other Shares.

Investors should only rely on the information in this Prospectus. None of the Company, the Selling Shareholders, the Banks or any of their respective representatives are making any representation other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this Prospectus nor Admission nor any subscription or subsequent sale shall, under any circumstances, create any implication that there has been no change in the affairs of the Company set forth in this Prospectus or that the information in it is correct as of any date subsequent to the date hereof. The contents of this Prospectus should not be construed as legal, business, financial or tax advice. None of the Company, the Selling Shareholders, the Banks or any of their respective representatives is making any representation to any prospective investor regarding the legality of an investment in the Offer Shares by such prospective investor under the laws applicable to such prospective investor. Each prospective investor should consult his, her or their own legal, business, financial or tax advisers for advice. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain risks described in the Prospectus occur, investors may find their investment materially and adversely affected. Accordingly, an investment in the Offer Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

Recipients of this Prospectus are authorised solely to use it for the purpose of considering the acquisition of the Offer Shares and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

The Offer Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions contained in Paragraph 9 of Part XVI: “*Details of the Global Offer—Selling and transfer restrictions*”. Each purchaser of the Offer Shares will be deemed to have made the relevant representations made therein.

Investors will be deemed to have acknowledged that: (i) they have not relied on the Banks or any person affiliated with the Banks in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders or either of the Banks.

Prior to making any decision as to whether to subscribe for or purchase Offer Shares, prospective investors should read this Prospectus in its entirety and should not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiries of the Company and the terms of the Global Offer, including the merits and risks

involved. In connection with the Global Offer, each of the Banks and any of their respective affiliates or agents acting as an investor for its own or their own account(s) may take up a portion of the Offer Shares in the Global Offer as a principal position and in that capacity may retain, subscribe for, purchase sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Global Offer or otherwise. Accordingly, references in this Prospectus to Offer Shares being offered, placed sold or otherwise dealt should be read as including any offer to purchase, placement or dealing by any of the Banks or any of their respective affiliates acting as an investor for its or their own account(s). In addition, certain of the Banks and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Banks or any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of the Banks and any of their respective affiliates or subsidiary undertakings may have engaged in transactions with, and provided various investment banking, financial advisory, risk management, hedging and other services for the Company and/or the Selling Shareholders, for which they would have received customary fees. Each of the Banks and any of their respective affiliates may provide such services to the Company and/or the Selling Shareholders, and any of their respective affiliates, in the future. In addition, the Banks and any of their respective affiliates may engage in such transactions as principal or counterparty, including with respect to the proceeds received by the Selling Shareholders in the Global Offer, and in certain circumstances (including if the Global Offer does not proceed) the relevant Banks or affiliates may have the ability to terminate such transactions and could realise a profit as a result. As a result of these transactions, these parties may have interests that may not be aligned, or could possibly conflict, with the interests of investors.

In addition, certain of the Banks or their affiliates may participate in financing arrangements, including potential margin loans secured by Shares, with the Selling Shareholders, either before or after Admission, in connection with which such Banks or their affiliates or subsidiary undertakings may from time to time acquire, hold or dispose of Shares. Such Banks or their affiliates may receive fees or other compensation as part of these arrangements in addition to any commissions received under the Underwriting Agreement.

The Company consents to the use of this document by the Intermediaries in connection with the REX Intermediaries Offer to persons located in the United Kingdom on the following terms: (i) in respect of Intermediaries who have been appointed prior to the date of this document, from the date of this document; and (ii) in respect of Intermediaries who are appointed after the date of this document, from the date on which they are approved to participate in the REX Intermediaries Offer and agree to adhere to and be bound by Intermediaries terms and conditions, in each case, until the closing of the REX Intermediaries Offer. Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the REX Intermediaries Offer to any prospective investor who has expressed an interest in participating in the REX Intermediaries Offer to such Intermediary at the time the offer by such Intermediary is made. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary. The Company accepts responsibility for the content of this document with respect to the subsequent resale or final placement of Offer Shares in connection with the REX Intermediaries Offer by any Intermediary given consent to use this document by the Company. The offer period for the REX Intermediaries Offer closed at 10 a.m. on 10 June 2024.

## **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements") and/or any

equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the UK Product Governance Requirements) should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Global Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

## **NOTICE TO UNITED STATES INVESTORS**

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Offer Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to persons reasonably believed to be qualified institutional buyers as defined in, and in accordance with, Rule 144A under the U.S. Securities Act or pursuant to another exemption from, or in a transaction not subject to, registration under the U.S. Securities Act. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this Prospectus, see Part XVI: “*Details of the Global Offer*”.

**THE OFFER SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY OR SECURITIES COMMISSION, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE OFFER SHARES OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**



## NOTICE TO CANADIAN INVESTORS

This Prospectus is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offering of the Offer Shares. In addition, no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon the merits of this Prospectus or the merits of the Offer Shares and any representation to the contrary is an offence. In Canada, this Prospectus may be directed and the Offer Shares may be sold only to purchasers in certain provinces purchasing, or deemed to be purchasing, as principal that are (i) accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), as applicable, and (ii) permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. For a description of these exceptions and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this Prospectus, see Part XVI: “*Details of the Global Offer*”.

## NOTICE TO AUSTRALIAN INVESTORS

This Prospectus does not constitute a disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the “Corporations Act”). It has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”) as a disclosure document for the purposes of the Corporations Act. ASIC has not reviewed this Prospectus or commented on the merits of investing in the Offer Shares nor has any other Australian regulator. No offer of securities is being made in Australia, and the distribution or receipt of this Prospectus in Australia does not constitute an offer of securities capable of acceptance by any person in Australia, except in the limited circumstances described below relying on certain exemptions in the Corporations Act. This document may only be provided in Australia to select investors who are able to demonstrate that they are “wholesale clients” for the purposes of Chapter 7 of the Corporations Act and fall within one or more of the following categories (“Exempt Investors”): “sophisticated investor” or “professional investors” who meet the criteria set out in, respectively, section 708(8) and section 708(11) and as defined in section 9 of the Corporations Act, experienced investors who receive the offer through an Australian financial services licensee, where all of the criteria set out in section 708(10) of the Corporations Act have been satisfied or senior managers of the Company (or a related body, including a subsidiary), their spouse, parent, child, brother or sister, or a body corporate controlled by any of those persons, as referred to in section 708(12) of the Corporations Act. The provisions of the Corporations Act that define these categories of Exempt Investors are complex, and if you are in any doubt as to whether you fall within one of these categories, you should seek appropriate professional advice regarding these provisions. Persons who are not Exempt Investors should not rely on or act upon this Prospectus or any of its contents. Any person in Australia who acquires the securities in any offer or to whom any offer of the securities is made will be deemed to have represented and agreed that it is an Exempt Investor. For further details on offers, sales and transfers of the Offer Shares and the distribution of this Prospectus, see Part XVI: “*Details of the Global Offer*”.

Jefferies International Limited is exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of the financial services it provides in Australia and is authorized and regulated by the FCA under UK laws, which differ from Australian laws.

## NOTICE TO OTHER OVERSEAS INVESTORS

The distribution of this Prospectus in certain jurisdictions may be restricted by law other than in the UK and no action has been taken by the Company, the Selling Shareholders or the Banks to permit a public offering of the Offer Shares, or possession or distribution of this Prospectus (or any other offering or publicity materials

relating to the Offer Shares), in any other jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Company and the Banks to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, or subscribe for, Offer Shares to any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. The Offer Shares have not been and will not be registered under the applicable securities laws of Australia, South Africa or Japan. Accordingly, subject to certain exceptions, the Offer Shares may not be offered or sold in Australia, South Africa or Japan. For a description of these and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this Prospectus, see Part XVI: “*Details of the Global Offer*”.

Dated 11 June 2024

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## **PART I SUMMARY**

### **A. INTRODUCTION AND WARNINGS**

#### *A.1.1 Name and international securities identifier number (“ISIN”) of the securities*

Shares with ISIN GB00BS3DYQ52.

#### *A.1.2 Identity and contact details of the issuer, including its Legal Entity Identifier (“LEI”)*

Raspberry Pi Holdings plc (the “Company” and, together with its subsidiary undertakings, the “Group”) is a public limited company, incorporated in England and Wales. The Company’s registered office is at 194 Cambridge Science Park, Milton Road, Cambridge, England, CB4 0AB and its telephone number is +44 1223 755933. Its LEI is 984500F5FB0E4FEBED17.

#### *A.1.3 Identity and contact details of the competent authority approving the prospectus*

This Prospectus has been approved by the FCA, as competent authority, with its head office at 12 Endeavour Square, London E20 1JN and telephone number +44 20 7066 1000, in accordance with the UK Prospectus Regulation.

#### *A.1.4 Date of approval of the prospectus*

This Prospectus was approved by the FCA on 11 June 2024.

#### *A.1.5 Warning*

This summary has been prepared in accordance with Article 7 of the UK Prospectus Regulation and should be read as an introduction to this Prospectus. Any decision to invest in the Offer Shares should be based on consideration of this Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital.

Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.

### **B. KEY INFORMATION ON THE ISSUER**

#### **B.1 Who is the issuer of the securities?**

##### *B.1.1 Domicile, legal form, LEI, jurisdiction of incorporation and country of operation*

The Company is a public limited company with registered number 15557387, incorporated in England and Wales on 12 March 2024 as a private company limited by shares under the Companies Act 2006 with the name Raspberry Pi ListCo Limited and re-registered as a public company limited by shares and renamed Raspberry Pi Holdings plc on 3 June 2024. The Company’s LEI number is 984500F5FB0E4FEBED17.

##### *B.1.2 Principal activities*

The Group is a leading designer and developer of high-performance, low-cost single-board computers (“SBCs”) and compute modules for industrial Internet of Things (“IoT”) customers and embedded uses,

as well as for educators and enthusiasts, in markets worldwide. Since 2012, it has sold over 60 million SBCs and compute modules. The Group's products are used worldwide by professional design engineers for industrial devices and embedded applications and by enthusiasts and educators for recreational and educational projects. The Group's standard product portfolio primarily comprises SBCs, compute modules, complementary accessories and semiconductors.

#### B.1.3 Major shareholders

Insofar as it is known to the Company as at the date of this Prospectus, the following persons will, immediately prior to and immediately following Admission, be directly or indirectly interested (within the meaning of the Companies Act 2006) in 3 per cent. or more of the Company's issued share capital, assuming no exercise of the Over-allotment Option:

Shareholder	Immediately prior to Admission <sup>(1)</sup>		Immediately following Admission	
	Number of Shares	Percentage of issued Shares (%)	Number of Shares	Percentage of issued Shares (%)
Raspberry Pi Foundation <sup>(2)(3)</sup> .....	140,854,692	77.31	94,919,627	49.08
Lansdowne Developed Markets Master Fund Limited <sup>(4)</sup> .....	8,036,894	4.41	13,136,894	6.79
Ezrah Charitable Trust .....	6,430,098	3.53	6,430,098	3.32
Sony Semiconductor Solutions Corporation	3,213,592	1.76	3,213,592	1.66
Arm Technology Investments 2 Limited <sup>(4)</sup> .	6,427,185	3.53	16,252,185	8.40
Employee Benefit Trust <sup>(5)</sup> .....	9,870,880	5.42	7,745,765	4.00

#### Notes:

- (1) The interests in Shares immediately prior to Admission have been stated on the basis that the Pre-IPO Reorganisation has been completed.
- (2) Assumes no exercise of the Over-allotment Option.
- (3) Raspberry Pi Foundation holds its shares in the Company through the Principal Shareholder.
- (4) Figure immediately following Admission includes Shares purchased pursuant to a cornerstone investment agreement entered into on 21 May 2024 with the Company and the Principal Shareholder. For further details, see Part XVI: "Details of the Global Offer—Cornerstone Investors".
- (5) Zedra Trust Company (UK) Limited is the legal holder of shares in the Company as trustee of the Company's EBT.

#### B.1.4 Key managing directors

Dr Eben Upton CBE is the Chief Executive Officer of the Company and Richard Boulton is the Chief Financial Officer of the Company.

#### B.1.5 Identity of the statutory auditors

The auditors of the Company for the period covered by the historical financial information set out in this Prospectus are Grant Thornton UK LLP, chartered accountants, whose address is at 101 Cambridge Science Park, Milton Road, Cambridge CB4 0FY, United Kingdom.



## B.2 What is the key financial information regarding the issuer?

The tables below set out summary financial information of Raspberry Pi Ltd and its subsidiary undertakings for the periods indicated, as reported in accordance with UK adopted IFRS:

### Consolidated Statement of Comprehensive Income for the three years ended 31 December 2021, 2022 and 2023

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
Revenue.....	140,587	187,859	265,797
Cost of sales .....	(98,670)	(145,579)	(199,842)
<b>Gross profit</b> .....	<b>41,917</b>	<b>42,280</b>	<b>65,955</b>
Administrative expenses .....	(11,793)	(13,794)	(17,650)
Research and development expenses .....	(11,124)	(9,251)	(10,582)
Foreign exchange (losses)/gains.....	(272)	833	(191)
Other operating income.....	37	—	—
<b>Operating profit</b> .....	<b>18,765</b>	<b>20,068</b>	<b>37,532</b>
Finance income .....	—	49	1,443
Finance costs .....	(292)	(29)	(779)
Taxation.....	(3,622)	(3,021)	(6,624)
<b>Profit for the period</b> .....	<b>14,851</b>	<b>17,067</b>	<b>31,572</b>

All activities relate to continuing operations. All the profit for the period is attributable to the equity holders of Raspberry Pi Ltd.

### Consolidated Statement of Financial Position as at 31 December 2021, 2022 and 2023

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Total non-current assets.....	31,045	40,643	73,129
Total current assets .....	95,739	106,759	192,225
<b>Total assets</b> .....	<b>126,784</b>	<b>147,402</b>	<b>265,354</b>
Total current liabilities .....	(23,098)	(27,519)	(82,887)
Total non-current liabilities .....	(8,165)	(12,732)	(23,253)
<b>Total liabilities</b> .....	<b>(31,263)</b>	<b>(40,251)</b>	<b>(106,140)</b>
<b>Total equity</b> .....	<b>95,521</b>	<b>107,151</b>	<b>159,214</b>

## Consolidated Statement of Cash Flows for the three years ended 31 December 2021, 2022 and 2023

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
Cash flows from operating activities.....	510	14,339	16,485
Cash flows used in investing activities.....	(7,380)	(10,745)	(23,098)
Cash flows (used) / generated in financing activities .....	40,249	(5,499)	15,837
Net increase / (decrease) in cash and cash equivalents .....	33,379	(1,905)	9,224

### Unaudited pro forma statement of consolidated net assets

The unaudited pro forma statement of consolidated net assets set out below is based on the historical financial information of Raspberry Pi Ltd and its subsidiary undertakings (the “**Existing Group**”) as at 31 December 2023 as set out in Part XIII: “*Historical Financial Information*” and has been prepared to illustrate the effect of the receipt of the net proceeds by the Company of the sale of all of the New Shares as part of the Global Offer, as if this had occurred on 31 December 2023. However, the unaudited pro forma statement of consolidated net assets is for illustrative purposes only and is not necessarily indicative of what the financial position of the Group would have been had the Global Offer occurred on 31 December 2023. Because of its nature, the unaudited pro forma statement of consolidated net assets addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position. Future results of operations may differ materially from those presented in the unaudited pro forma statement of consolidated net assets due to various factors.

	Consolidated net assets at 31 December 2023 <sup>(1)</sup>	Adjustment for the Global Offer <sup>(2)</sup>	Unaudited pro forma consolidated net assets <sup>(3)(4)</sup>
		(\$'000)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Total non-current assets.....	73,129	—	73,129
<b>Current assets</b>			
Total current assets .....	192,225	30,064	222,289
<b>Total assets .....</b>	<b>265,354</b>	<b>30,064</b>	<b>295,418</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Total current liabilities .....	(82,887)	—	(82,887)
<b>Non-current liabilities</b>			
Total non-current liabilities .....	(23,253)	—	(23,253)

	Consolidated net assets at 31 December 2023 <sup>(1)</sup>	Adjustment for the Global Offer <sup>(2)</sup>	Unaudited pro forma consolidated net assets <sup>(3)(4)</sup>
		(\$'000)	
<b>Total liabilities .....</b>	<b>(106,140)</b>	<b>—</b>	<b>(106,140)</b>
<b>Net assets .....</b>	<b>159,214</b>	<b>30,064</b>	<b>189,278</b>

Notes:

- (1) The Existing Group's consolidated net assets as at 31 December 2023 have been extracted without adjustment from the Historical Financial Information set out in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: "*Historical Financial Information*".
- (2) This adjustment reflects the sale of New Shares as part of the net proceeds of the Global Offer receivable by the Company of \$30,063,615 (excluding the payment of any discretionary commissions) and the exchange rate on 7 June 2024 of £1 to \$1.2723.
- (3) This column represents the sum of columns 1 and 2 to derive the Existing Group's unaudited pro forma consolidated net assets as at 31 December 2023.
- (4) No adjustment has been made to reflect the Existing Group's financial position since 31 December 2023.

### **B.3 What are the key risks that are specific to the issuer?**

#### *Risks related to the Group and its business*

- B.3.1 Supply chain issues, including a shortage of adequate component supply, may increase the Group's costs and cause delays in its ability to fulfil orders.
- B.3.2 The Group relies on sole suppliers or limited sources for certain complex components which are critical to the development of its products.
- B.3.3 The Group relies on Broadcom as its primary supplier of 'system on a chip' components, which are critical to many of the Group's products.
- B.3.4 The Group relies on a single third-party facility owned by Sony to manufacture substantially all of its products, and its success is in part dependent on Sony's current commitment to manufacturing its products.
- B.3.5 Due to the global nature of the Group's operations, adverse macroeconomic conditions could materially adversely affect the Group.
- B.3.6 Any failure to properly estimate customer demand could adversely affect the Group's business, financial condition, results of operations and prospects.
- B.3.7 The Group depends on the development of new products, and enhancements to existing products. If it fails to predict and respond to emerging technological trends and customers' changing needs, its operating results and market share may suffer.
- B.3.8 The Group may not be able to effectively manage its growth.
- B.3.9 If the Group is unable to attract, retain and motivate its executives and key employees, it may not be able to execute its business strategy effectively.

- B.3.10 The Group faces risks associated with its distribution channels. In particular, its direct distribution channel may not be able to support the growth of its business. In addition, the Group relies on its sole licensee to distribute a portion of its products, and any unplanned disruption to the Group's licensing model could harm its sales.
- B.3.11 If the Group's products contain significant defects, it could incur significant expenses to remediate such defects, its reputation could be damaged, and it could lose market share.
- B.3.12 The Group's intellectual property rights may prove difficult to enforce, or it may be found to infringe on the intellectual property rights of others.

## **C. KEY INFORMATION ON THE SECURITIES**

### **C.1 *What are the main features of the securities?***

#### **C.1.1 *Type, class and ISIN***

The Global Offer comprises the offer of 11,228,572 New Shares to be issued by the Company and 48,060,180 Sale Shares to be sold by the Selling Shareholders.

When admitted to trading, the Shares will be registered with ISIN number GB00BS3DYQ52 and SEDOL number BS3DYQ5.

#### **C.1.2 *Currency, denomination, par value, number of securities issued and duration***

The currency of the Shares is pounds sterling. On Admission, the Company's issued share capital will be £609,493.95, comprising 193,415,715 Shares of nominal value of £0.0025 each and 61,610,435 deferred shares of nominal value of £0.0025 each (all of which will be fully paid or credited as fully paid).

#### **C.1.3 *Rights attached to the Offer Shares***

The Offer Shares will, on Admission, rank *pari passu* in all respects with the other Shares in issue, form a single class for all purposes, including with respect to voting, and will rank in full for all dividends and other distributions thereafter declared, made or paid on the Company's share capital. Subject to the provisions of the Companies Act 2006, any equity securities issued by the Company for cash must first be offered to the holders of Shares in the capital of the Company in proportion to their holdings. The Companies Act 2006 and the Listing Rules allow for disapplication of pre-emption rights which may be waived by a special resolution of the holders of Shares, whether generally or specifically, for a maximum period not exceeding five years. On a show of hands, every shareholder who is present in person shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote per Share held by it.

#### **C.1.4 *Relative seniority of the securities in the issuer's capital structure in the event of insolvency***

The Offer Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the Companies Act 2006. The Shares will rank *pari passu* in all respects.

#### **C.1.5 *Restrictions on the free transferability of the securities***

There are no restrictions on the free transferability of the Shares, subject to compliance with applicable securities laws.

**C.1.6 *Dividend or payout policy***

The Company does not intend to pay dividends in the short term and instead intends to reinvest the proceeds of its operations in the development of the business.

**C.2 *Where will the securities be traded?***

Application has been made to the FCA for all of the Shares, issued and to be issued, to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

**C.3 *What are the key risks that are specific to the securities?***

C.3.1 There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.

C.3.2 The value of the Shares may fluctuate significantly.

C.3.3 The Raspberry Pi Foundation's interests may not be aligned with those of other shareholders.

**D. KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET**

**D.1 *Under which conditions and timetable can I invest in this security?***

The Global Offer comprises the offer of 11,228,572 New Shares to be issued by the Company and 48,060,180 Sale Shares to be sold by the Selling Shareholders, at the Offer Price.

Pursuant to the Global Offer, the Offer Shares will be offered (i) to certain institutional investors in the United Kingdom and elsewhere outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and in accordance with locally applicable laws and regulations, (ii) in the United States only to QIBs in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act ((i) and (ii) collectively the "**Institutional Offer**"), and (iii) an offer to the Intermediaries for onward distribution to retail investors in the United Kingdom (the "**REX Intermediaries Offer**").

The Offer Shares may only be offered to persons (i) in any Member State who are "qualified investors" within the meaning of the Prospectus Regulation or in other circumstances in which a prospectus is not required by the Prospectus Regulation and (ii) in the United Kingdom to Intermediaries in relation to the REX Intermediaries Offer, or to those who are "qualified investors" within the meaning of the UK Prospectus Regulation or in other circumstances in which a prospectus is not required by the UK Prospectus Regulation.

The Global Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature, including Admission becoming effective by no later than 8:00 a.m. on 11 June 2024 (or such later time and/or date as the Company and the Banks may agree) and the Underwriting Agreement not being terminated prior to Admission.

None of the Offer Shares may be offered for subscription, sale or purchase or be subscribed, sold or delivered, and this document and any other offering material in relation to the Offer Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration, other than the United Kingdom.



It is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. on 11 June 2024. The earliest date for settlement of such dealings will be 14 June 2024. All dealings in Shares prior to the commencement of unconditional dealings will be on a “when issued basis”, will be of no effect if Admission does not take place, and will be at the sole risk of the parties concerned. Admission is expected to become effective, and unconditional dealings in the Shares are expected to commence on the London Stock Exchange, at 8.00 a.m. on 14 June 2024.

#### *Dilution*

The Global Offer comprises 11,228,572 New Shares and 48,060,180 Sale Shares. Existing Shareholders will experience a 5.81 per cent. dilution as a result of the issue of the New Shares.

### **D.2 *Why is this Prospectus being produced?***

This Prospectus has been prepared in connection with the application to the FCA for admission of the Shares to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for admission to trading on the London Stock Exchange’s main market for listed securities.

#### *Reasons for the Global Offer and use of proceeds*

The Company believes that the Global Offer and Admission will position it for the next stage of its development by (i) enhancing the Company’s public profile and brand awareness; (ii) providing it with access to the public capital markets and new long-term shareholders; and (iii) assisting in the incentivisation and retention of management and key employees.

The Company expects to receive net proceeds of £23,630,002 (or \$30,063,615) from the sale of the New Shares (excluding the payment of any discretionary commissions). The Company intends to apply the net proceeds received towards engineering capital expenditure, to develop its supply chain resilience, and for other general corporate purposes.

In addition, the sale of the Sale Shares will provide the Selling Shareholders with a partial realisation of their investment in the Company. The Selling Shareholders expect to receive net proceeds of £131,861,333 (or \$167,762,511) (excluding the payment of any discretionary commissions), assuming that the Over-allotment Option is not exercised.

The Company will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholders.

No expenses will be charged by the Company or the Selling Shareholders to any subscriber for, or purchaser of, the Offer Shares.

#### *Underwriting arrangements*

The Offer Shares allocated under the Institutional Offer have been fully underwritten, subject to certain customary conditions, by the Banks in accordance with the terms of the Underwriting Agreement.

#### *Material conflicts of interest to the Global Offer*

There is no interest, including any conflicting interest, that is material to the Global Offer or Admission.

## **PART II**

### **RISK FACTORS**

*Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider the risk factors associated with any investment in the Shares, our business and the industry in which we operate, together with all other information in this Prospectus including, in particular, the risk factors described below.*

*The risk factors described below are not an exhaustive list or an explanation of all risks relating to us and should be used as guidance only. Additional risks and uncertainties that are not currently known to us, or that we currently deem immaterial, may individually or cumulatively also have a material adverse effect on our business, financial condition, results of operations and prospects. Prospective investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.*

*This Prospectus contains “forward-looking” statements that involve risks and uncertainties. The actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Prospectus. See “Forward-looking Statements” in Part III: “Presentation of Information”.*

*Prospective investors should note that the risks relating to us, our industry and the Shares summarised in the section of this Prospectus entitled Part I: “Summary” are the risks that we believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which we face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus entitled Part I: “Summary” but also, among other things, the additional risks and uncertainties described below.*

#### **Risks related to our supply chain and product manufacturing**

##### **Supply chain issues, including a shortage of adequate component supply, may increase our costs, and cause delays in our ability to fulfil orders.**

Our growth and ability to meet customer demand depends in part on our ability, at an acceptable cost, to obtain timely deliveries of components from our suppliers and contract manufacturers, and finished products from our contract manufacturers. During the global semiconductor shortage, between 2021 and 2023 we experienced shortages of, and price increases for, critical components from various suppliers. While these shortages have largely abated, prices of some components remain elevated by historical standards, and inflation, while below its recent peak at the end of 2022, remains high.

Additionally, due to the long lead time required to construct new fabrication facilities, and the continuing high demand for semiconductors, we, together with our suppliers that depend on the use of semiconductors in their products, may experience a shortage of certain components in the future as a result of lack of supply, manufacturing issues, capacity problems, including capacity or cost problems resulting from industry consolidation, or strong demand for those components. Economic growth is likely to create greater pressure on us and our suppliers to accurately predict overall component demand and component demand within specific product categories, and to establish optimal levels of component inventory and manufacturing capacity, especially for labour-intensive or highly complex components, or components for which we purchase a substantial portion of the supply.

A recurrence of semiconductor shortages, even if not on the scale seen between 2021 and 2023, would raise the possibility of further price increases, and/or may impact the supply of the critical components on which we rely. This could, in turn, adversely affect our volumes if we are unable to mitigate shortages, and the unit economics of our products if we are unable to pass price increases on to our customers and/or offset the impact of such price increases by otherwise reducing our cost of sales. It could also affect product manufacturing lead times and our and our Licensee's ability to address customer demand for our products in a timely manner or at all. Any of these circumstances could materially adversely affect our business, financial condition, results of operations and prospects.

Even outside periods of general shortage, the price of specific components may increase (particularly in an environment of persistent high inflation) or components may not be available at all, and we may also encounter shortages if we do not accurately anticipate our needs. We may not be able to secure enough components at reasonable prices or of acceptable quality to build new or existing products in a timely manner in the quantities or configurations needed. For instance, dynamic random-access memory ("DRAM") is a significant portion of the cost of the Raspberry Pi 4 and Raspberry Pi 5 SBCs that we produce. Fluctuations in the cost of this memory could adversely affect the production cost of our products to the extent that we have not secured sufficient supply of DRAM memory when prices are low and, consequently, our financial results.

We may also face, among others, the following supply chain-related challenges in the future:

- new markets in which we participate may grow quickly, and we may find it difficult to quickly obtain significant component capacity;
- acquiring companies or new technologies could increase our dependence on unfamiliar supply chains or relatively small, unknown or unreliable supply partners;
- our suppliers may manufacture and supply us with components that cannot be used for their intended purpose; and
- we may face competition for certain components that are supply-constrained, from existing competitors, and companies in other markets.

Any of these supply chain-related difficulties could materially adversely affect our business, financial condition, results of operations and prospects.

**A semiconductor supply disruption could impact our ability to produce our products.**

Our products require large quantities of specialised semiconductors to function, and Taiwan Semiconductor Manufacturing Company Limited ("TSMC") fabricates the substantial majority of the semiconductors that we use in our products. If TSMC were to cease providing us or our suppliers with semiconductors for any reason, including following a decision by it to unilaterally terminate a contract or due to a disruption to its semiconductor fabrication facilities, we or our suppliers could be required to transfer manufacturing processes to a new location, facility or supplier. This could take a substantial amount of time and lead to the incurrence of significant costs, given our highly complex manufacturing and fabrication needs. Depending on the nature of the disruption and the resultant impact on our semiconductor and component supplies, we could also be required to suspend our operations for an indeterminate period of time. Significant disruptions at these semiconductor fabrication facilities could occur for numerous reasons outside our control, including fires, power supply interruptions, water shortages, conflicts with local communities due to water availability, usage and consumption levels or due to recycling and discharge practices, human rights issues such as forced labour, child labour, modern slavery or human trafficking, pandemics such as COVID-19, and local or regional conflicts, including increasing tensions between Taiwan and China, as well as natural disasters (particularly in Taiwan, where TSMC is located, and elsewhere in the Pacific Rim close to earthquake fault lines). Were any of

these events to transpire, our business, financial condition, results of operations and prospects could be materially adversely affected.

**We rely on sole suppliers or limited sources for certain complex components which are critical to the development of our products.**

Certain components that are critical to the design, development and manufacture of our products are presently available only from a single supplier or limited number of suppliers. These components are fundamental to certain of our products (including our flagship product, Raspberry Pi 5). As there can be no assurance that key suppliers will choose to, or will be able to, supply components to us in the quantities that we require, on reasonable terms (including price), on a timely basis, or at all, we may not be able to meet demand for our products, we may have to limit or delay new releases or versions of certain products, or we may have to increase the prices of our products to our customers. In addition, some of the key components used in our devices are complex and require significant third-party investment, skills and engineering expertise to develop over a period of several years, as well as significant lead times for orders. While a transition to another provider's semiconductors is not uncommon in our industry and doing so on that basis or for internal design and development purposes is within our engineering capabilities, doing so could limit our ability to use alternate sources or suppliers in the short- to-medium-term. Such a transition will also require significant internal expertise, resources and time to be expended to incorporate our third-party suppliers' components into the design of our products and operate with our software. Furthermore, if we are required to seek alternative suppliers, this could be materially detrimental to the quality, availability, and price of our products, leading to them being less appealing to our customers, more easily cloned, or not available for purchase at all. There can be no assurance that we would be able to successfully navigate any such transitions, or that they would not take longer or cost more than we would expect.

As such, any disruption to the supply of critical components or key relationships with sole or limited source suppliers could have a material adverse effect on our business, financial condition, results of operations and prospects.

**We rely on Broadcom as our primary supplier of SoC components, which are critical to many of our products.**

Broadcom is a fabless semiconductor company. Virtually all of our past and current SBCs and compute modules utilize Broadcom semiconductors. Our most recent products, Raspberry Pi 4 and Raspberry Pi 5 and their derivatives, also use a Broadcom "GPHY" networking semiconductor. To design and develop SBCs and compute modules, we combine these Broadcom semiconductors with roughly three hundred other components. We are responsible for, and own the intellectual property in, the design of the finished product, and the majority of the firmware code which runs on it.

We work closely with Broadcom to ensure that successive generations of processor semiconductors have the features we require. Current and future processor semiconductors contain intellectual property developed by us, which is then licensed to Broadcom. A substantial majority of our 2023 gross profit was attributable to those of our products which use the BCM2711 semiconductor, which was the first Broadcom semiconductor to contain significant quantities of our own intellectual property, and we expect products based on the next-generation BCM2712 semiconductor to contribute significantly to our gross profit.

Our reliance on a single supplier for processor semiconductors is not unusual in our industry; Apple and Dell for example relied exclusively on Intel semiconductors in their PC business for many years. In doing so, we gain the benefit of precise control over feature sets, without the substantial cost of developing our own processor semiconductors from scratch.

However, there are certain risks associated with this approach. In particular, there can be no assurance that Broadcom will choose to, or will be able to, supply components to us in the quantities that we require, on reasonable terms (including price), on a timely basis, or at all. For example, in the second half of 2021 and in 2022, Broadcom was unable to supply systems on a chip (“SoCs”) in the volumes that we had ordered and, as a result, the quantities of SBCs and compute modules that Sony was able to manufacture were restricted, which contributed to the decline in SBC and compute module sales from 8,477 thousand units in 2021 to 6,080 thousand units in 2022. Any of these factors could limit or delay new releases or versions of certain products or could lead to us not being able to meet demand for our products, which could in turn require us to prioritise some customers above others, require us to increase the price of our products and result in an increased order backlog, any of which could adversely affect our reputation or result in reduced sales. In addition, the SoCs that Broadcom supplies to us are complex and require significant investment, skills, and engineering expertise to develop over a period of several years, as well as significant lead times for orders. If we need to transition our products from Broadcom semiconductors to another supplier’s semiconductors, the process would be technically challenging and time-consuming, and we believe that such a transition would take up to two years. While such a transition is not uncommon in our industry, and is within our engineering capabilities, there can be no assurance that we would be able to do so successfully or within this timeline.

Furthermore, although we agree contractual terms with Broadcom when we award a design win, maintain a dialogue with vendors of alternative processor semiconductors and design and develop our own semiconductors, such as the RP2040 microcontroller and the RP1 I/O controller chip, there can be no assurance that these efforts will succeed in offsetting the related risks.

If some or all of the foregoing risks materialise, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

**We rely on Sony to manufacture substantially all of our products, and our success is in part dependent on Sony’s commitment to manufacturing our products.**

We do not manufacture any of our products or the components used in our products, instead relying on third parties to manufacture our products and the associated components. The majority of our products are manufactured (on behalf of both us and our Licensee) by Sony at Sony’s facility in Pencoed, Wales (the “Sony Facility”) and, in the case of a limited suite of products, at Sony’s manufacturing facility in Inazawa, Japan. We have agreed with Sony to further expand the existing production at their Inazawa facility and, by the end of 2024, expect them to have established a dedicated production line there for Raspberry Pi 5. As such, any disruption to the Sony Facility or the Inazawa facility could materially adversely affect our ability to source our products and, therefore, our business, financial condition, results of operations and prospects.

Due to the importance of Sony’s manufacturing facilities to our operations, Sony is a critical partner for us. However, we have no formal contractual arrangement in place with Sony regarding any commitment to manufacture our products either at the Sony Facility or in Inazawa. Due to our more than decade-long relationship with Sony, the Sony Facility’s large, dedicated production line for our products, Sony’s status as one of our shareholders, and our having jointly designed with Sony the equipment and processes used to manufacture our products, we believe that it is highly unlikely that Sony would cease to manufacture our products or otherwise seek to amend the terms of our relationship in a way that would be materially adverse to our interests, although there can be no assurance that this will continue to be the case.

If Sony were to cease manufacturing our products in the quantities that we request or entirely, we would have to seek out alternate manufacturing arrangements and/or consider purchasing the Sony Facility ourselves. While we believe we could switch to an alternative manufacturer or location in less than 12 months, converting or transferring our technology to other manufacturers would require significant time, expense, and management attention, could result in supply shortages if we are unable to switch before production at the Sony Facility



ceases and we do not have access to sufficient product inventories to satisfy demand in the intervening period, and could also result in the production of inferior quality products. We could also seek to purchase the Sony Facility, although this could require significant additional funding to finance the purchase, which might not be available on attractive terms or at all. In addition, we have no experience owning or operating a manufacturing facility, and there can be no assurance that we would be able to do so effectively.

Furthermore, because we do not own the Sony Facility, we do not have direct control over delivery schedules, product quantity or product quality. If delivery schedules, product quantities or product quality were to suffer, we would not be able to directly act to correct the issue.

Any disruption in our relationship with Sony and our ability to have our products manufactured at its facilities, in the quantities and at the quality we require, could therefore have a material adverse effect on our business, financial condition, results of operations and prospects.

## **Risks related to our business and industry**

### **Due to the global nature of our operations, adverse macroeconomic conditions could have a material adverse impact on us.**

Our international operations are spread across Europe, North America, Asia, and the rest of the world, which accounted for 38 per cent., 29 per cent., 26 per cent., and 7 per cent. of our units sold, respectively, in the year ended 31 December 2023. As a result, we are affected in particular by economic conditions in those markets, as well as by broader macroeconomic conditions.

Adverse changes in global, regional or local economic conditions, including inflation, recessions or slowing growth, changes or uncertainty in fiscal, monetary or trade policy, higher interest rates, tighter credit, inflation, lower capital expenditures by businesses, including on information technology (“IT”) infrastructure, increases in unemployment, and lower consumer confidence and spending, periodically occur. The COVID-19 pandemic led to severe contractions in the global economy due to lockdown measures, reduced consumer spending and disruptions in international trade. While the effects of the COVID-19 pandemic on the global economy largely abated by 2023, instability in the geopolitical environment in many parts of the world (e.g. the Russia/Ukraine conflict, increasing tensions between China and Taiwan, and the current economic challenges in China) resulted in, among other things, persistent high inflation throughout 2022 and 2023. Furthermore, geopolitical instability can significantly harm demand for our products and make it more challenging to forecast our operating results and make business decisions, including regarding prioritisation of investments in our business. A slowdown in economic growth could have a wide range of adverse effects on us, including:

- a decrease in demand for our products or for the products of our customers;
- the inability of our suppliers to deliver on their supply commitments to us;
- an inability to supply our products to our customers;
- the inability of our customers or our sole Licensee, Premier Farnell Limited (“Premier Farnell” or the “Licensee”), to supply products to end users;
- the insolvency of key suppliers, customers or our Licensee;
- delays in reporting or payments from our customers or Licensee;
- failures by counterparties; and/or
- adverse effects on inventories.

Free trade laws and regulations provide certain beneficial duties and tariffs for qualifying products that are imported or exported in connection with our business. Changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we import products or components, either directly or through our suppliers, could have an adverse effect on our competitive position and financial results. Trade protection measures such as tariffs and other legal and regulatory requirements may also affect our ability to import our products from, export our products to, or have our products in, various countries or affect our ability to procure components for our products. For instance, the United States imposes tariffs on certain goods imported from China and other countries, which has resulted in retaliatory tariffs by China and other countries. If these disputes intensify, it could become more difficult for us to sell our products into China. If regulatory changes were to limit the ability to sell our products into China, and no exemptions to continue trading were available, this could lead to a significant reduction in our revenue. Conversely, if geopolitical tensions ease and result in a relaxation of trade restrictions between the United States and China, in particular in technology sectors, we could face increased competition, which could limit the effectiveness of our growth strategy in the coming years.

**Current contractual commitments to purchase SoCs, as well as any failure to properly estimate future customer demand, could materially adversely affect our business, financial condition, results of operations and prospects.**

Demand for our products is based on many factors, including business and economic conditions, consumer confidence levels, customer requirements and preferences, price, and the availability of competing technologies. We design and develop our products based on our estimates of our customers' future demand. However, our design and development lead times can be very long, and it can take us several years to bring a new product to market. In addition, we make long-term purchase commitments with certain suppliers based on our demand forecasts. In particular, in periods with limited availability of capacity and components in our supply chain (such as occurred in 2021 and 2022), we may place non-cancellable inventory orders significantly in advance of our normal lead times, pay premiums or provide deposits to secure normal and incremental future supply.

In estimating demand, we make multiple assumptions, any of which may prove to be incorrect. Situations that may result in incorrectly estimating demand include:

- changes in business and economic conditions, including downturns in our target markets and/or the overall economy;
- changes in consumer confidence caused by changes in market conditions, including changes in the credit market;
- our introduction of new products resulting in demand for older products reducing quicker than we expect;
- less demand than expected for newly introduced products; or
- increased competition, including with respect to price.

If we incorrectly estimate demand, consequences could include a reduction in average selling prices ("ASP") or lower than anticipated product sales levels, either of which could adversely affect our revenues. It could also result in our holding excess inventory, which could adversely affect our cash position or unit gross profit. In addition, we may not be able to reduce our inventory purchase commitments in a timely manner or at all in response to lower-than-expected customer demand, particularly for components in respect of which we have entered into long-term purchase commitments. As a result, we could be required to write down our inventory to the lower of cost or net realisable value or excess inventory. For example, in 2023, we wrote down the value

of certain RP2040, accessory and other component inventories. We are exposed to all of the foregoing risks pursuant to the terms of our strategic collaboration agreement between Raspberry Pi Ltd (“RPL”) and Broadcom, which, subject to certain exceptions, requires us to purchase 9.4 million SoCs per year (with such commitment reduced by the number of SoCs purchased by our Licensee) in each of 2024, 2025, 2026 and 2027.

Conversely, if we underestimate our customers’ demand for our products, we may not have adequate lead time or capacity to increase production and we may not be able to obtain sufficient inventory to meet customer demand, either in a cost-effective or timely manner, or at all. If we fail to fulfil our customers’ orders, our customer relationships could be damaged, we could lose revenue and market share and our reputation could be damaged.

As a result, any failure to properly estimate demand could materially adversely affect our business, financial condition, results of operations and prospects.

**We depend on the development of new products, and enhancements to existing products. If we fail to predict and respond to emerging technological trends and customers’ changing needs, our operating results and market share may suffer.**

The markets for our products are characterised by rapidly changing technology, evolving industry standards, and new product and service introductions. Our success depends on our ability to identify emerging industry changes, develop new products, enhance existing products, and reduce our production costs. The process of developing new technology is complex and uncertain, and if we fail to accurately predict customers’ changing needs and emerging technological trends our business could be harmed. We must commit significant resources, including substantial capital expenditure, to develop new products before knowing whether our investments will result in products that we will be able to bring to market, or that the market will accept. Similarly, our business could be harmed if we fail to develop, or fail to develop in a timely fashion, offerings to address transitions to new technology, or if the offerings addressing these transitions that ultimately succeed are based on technology, or an approach to technology, different from ours. In addition, our business could be adversely affected in periods surrounding our new product introductions if customers delay purchasing decisions to qualify or otherwise evaluate the new product offerings.

There can be no assurance that we will successfully identify new product opportunities, develop and bring new products to market in a timely manner or achieve market acceptance of our products, or that products and technologies developed by others will not render our products or technologies obsolete or non-competitive. The products and technologies in our key priority and growth areas may not have the market success we anticipate, and we may not successfully identify and invest in other emerging or new products and areas, such as artificial intelligence and machine learning. If we fail to consistently deliver products for which there is demand, it could materially adversely affect our business, financial condition, results of operations and prospects.

**We may not be able to effectively manage our growth.**

Over the next several years, we intend to expand our product portfolio through the continued introduction of new SBCs, compute modules, custom products, accessories, and semiconductors, which will require us to continue to commit substantial financial and managerial resources to develop our engineering, research and development, sales and marketing, and support services capabilities. If we are unable to manage our growth effectively, we may be unable to take advantage of market opportunities or develop new products. We may also fail to satisfy customer product or support requirements, maintain the quality of our products, execute our business plan or respond to competitive pressures.

We also plan to further penetrate markets where our presence is currently limited, including in sub-Saharan Africa, the Middle East and South America. Customers in new markets may require greater support, which may require us to hire appropriately qualified personnel in these markets, who may be in short supply. In addition,

it may be difficult for us to identify suitable local partners to act as Approved Resellers (“ARs”). If we are unable to find appropriate personnel and partners, the success of our expansion into new markets could be adversely affected.

Additionally, as we seek to expand our business and our product portfolio, we will need to continue to enhance our internal controls, policies and procedures in order to effectively manage our business, as well as further develop our organisational infrastructure and systems to deal with the greater scale and complexity of our operations. We will also need to ensure our direct distribution channel, and the capacity of our existing and new ARs, are able to expand in line with the growth of our operations.

We are likely to recognise the costs associated with these investments earlier than the anticipated benefits. Additionally, the return on such investments may be lower than anticipated if we overestimate market demand, or may be realised over a longer period of time or cost significantly more than currently expected. Further, if our revenue does not increase at a rate that offsets these expenses, our profit margins may be adversely affected.

Our ability to grow and to execute our strategy also depends on the availability of adequate capital, which in turn depends in part on cash flow generated by our business. We believe that our existing cash resources will be sufficient to finance our continued operations, growth strategy and planned capital expenditures for at least the next 12 months. However, thereafter we expect the capital expenditure requirements of the business will increase and, therefore, may require further external financial resources in addition to the cash flow of the business to continue to meet our strategic objectives.

On 24 April 2024, RPL amended and extended its existing revolving credit facility with Barclays Bank plc as original lender, pursuant to which we may borrow up to \$40 million (or its equivalent in optional currencies) through to 24 April 2027 (as amended and extended, the “**Revolving Credit Facility**”). The Revolving Credit Facility may be extended to 24 April 2028 and again to 24 April 2029 with the consent of the lenders. As of the Reference Date, we did not have any drawings under the Revolving Credit Facility. Although we do not intend to make further drawdowns on the Revolving Credit Facility for at least the next 12 months nor to seek material additional debt funding, we may, in the longer term, elect to draw down on the Revolving Credit Facility and/or to seek to raise financing to fund inventory, future acquisitions, strategic growth opportunities, and other investment in our business. The incurrence of indebtedness results in increased interest expense and, subject to the terms of any indebtedness other than the Revolving Credit Facility, could require us to agree to covenants that would restrict our operations and our ability to incur additional debt or engage in other capital-raising activities. We may also issue additional equity (in addition to the New Shares), which would result in existing shareholders being diluted.

If we cannot effectively manage our expanding operations and costs, we may not be able to grow as quickly or as profitably as expected or at all, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

**If we are unable to attract, retain and motivate our executives and key employees, we may not be able to execute our business strategy effectively.**

We have a limited number of staff in critical management and operational positions. Our success therefore depends in particular on the continued employment of our senior management team, certain specialist software and hardware engineers, and certain sales and marketing personnel, as well as more generally on our ability to source and compete for qualified staff based in the Cambridge, UK area, where we are headquartered, and elsewhere, to ensure that we develop and maintain a sufficient number of employees at various levels of seniority across our business.

The market for a qualified team of executives, scientists, engineers, technical staff, and research and development personnel in the Cambridge, UK area is intense. Additionally, changes in immigration and work

permit laws and regulations in the UK or the administration or interpretation of such laws or regulations could impair our ability to attract and retain highly qualified employees. If we are unable to retain our key employees and/or unable to recruit enough suitably experienced and talented employees, our ability to develop and deliver successful products, continue our research and development activities, or grow our business may be adversely affected. Additionally, competition for personnel results in increased costs in the form of cash and the award of additional stock-based compensation, as reflected by us implementing the long-term incentive plan (“LTIP”) in connection with the Global Offer. The interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our workforce needs.

Effective succession planning is also important to our long-term success. However, as we operate a lean organisation, a substantial amount of knowledge about, and experience with, our business is concentrated within a limited number of employees. If we fail to effectively grow our employee base and ensure the appropriate development and transfer of knowledge and expertise to others within our organisation, our business, financial condition, results of operations and prospects could be materially adversely affected.

Furthermore, if we do not continue to anticipate and address the safety and wellness needs of our employees sufficiently and/or in a timely manner, their productivity could be impacted, or we could fail to retain them.

Any inability to successfully retain existing key personnel, or to recruit personnel with relevant skills and experience in line with our growth strategy, could be significantly detrimental to our product development programmes and could have a material adverse effect on our business, financial condition, results of operations and prospects.

**Our direct distribution channel may not be able to support the growth of our business.**

In the years ended 31 December 2021, 2022 and 2023, sales through the direct distribution channel accounted for 43 per cent., 73 per cent., and 82 per cent., respectively, of our SBCs and compute modules sold, with Licensee/RS Component-distributed products through our licensed channels (as defined below) accounting for the remainder. In the near- to medium-term, we expect the direct distribution channel to account for approximately 70 per cent. to 80 per cent. of our SBC and compute module unit sales. Through the direct distribution model, we sell our products either to our ARs, which then resell these products to end customers, or directly to Original Equipment Manufacturers (“OEMs”). As a result of our increasing reliance on the direct distribution channel to distribute our products, it is increasingly important that our ARs have sufficient balance sheet capacity to purchase increasing volumes of our products, as well as for us to enter into distribution arrangements with new ARs in order to provide additional distribution capacity as our business continues to grow. There can be no assurance that our existing ARs will continue to be able to honour both their contractual commitments to purchase our products as well as purchase new products pursuant to new contractual arrangements, nor that we will be able to identify qualified ARs to further expand our distribution capabilities. If we are unable to do so, we may be required to increase the proportion of direct-to-OEM sales, which could require us to increase the level of our inventories and, consequently, the working capital required to finance those inventories, increase the level of credit extended to customers, and hire additional personnel to manage this channel.

If we fail to effectively manage the growth of the direct distribution channel in line with our continued growth, our business, financial condition, results of operations and prospects could be materially adversely affected.

**We rely on our sole Licensee to distribute a portion of our products, and any unplanned disruption to our licensing model could harm our sales.**

We currently rely on a royalty-based distribution model (the “licensee channel”) to distribute a portion of our products through our sole Licensee, Premier Farnell, with whom we have a contract through 2026. In the years



ended 31 December 2021, 2022 and 2023, the licensee channel accounted for 57 per cent., 27 per cent., and 18 per cent., respectively, of our units sold. Our business could be adversely affected by various issues with our Licensee, including it:

- competing with us, including through our direct distribution channel, which may lead our Licensee to use other suppliers that do not directly sell their own products or otherwise compete with them (as was the case during the global semiconductor shortage, when our former licensee, RS Components, promoted certain of our competitors' products to our existing customer base);
- failing to comply with our open credit payment terms and/or exposing us generally to enhanced credit risk;
- seeking to impose unfavourable contractual terms on us during our contract renewal negotiations;
- having insufficient financial resources or otherwise not being able or willing to withstand or accommodate changes and challenges in business conditions, and therefore selling fewer of our products, or no longer selling our products at all;
- choosing to sell fewer of our products or to no longer sell our products; and
- under-reporting its sales, which could reduce the royalties we receive.

If we experience these or any other issues with our Licensee, it could result in terminating our relationship with the Licensee, and there can be no assurance that we will be able to find a new licensee, either in a timely manner or at all. If our relationship with our Licensee ends and we are not able to find a new one, our working capital requirements could increase, as we would need to order (and pay for) the manufacture of all products through the direct distribution channel. We could also lose access to end users who primarily have a relationship with the Licensee. Furthermore, the Licensee's parent company, Avnet, is also a supplier of certain components, and, while we currently have supply contracts in place with Avnet, over the longer term we could lose access to this supply relationship. Any of these issues could have a material adverse effect on our business, financial condition, results of operations and prospects.

**If our products contain significant defects, we could incur significant expenses to remedy such defects, our reputation could be damaged, and we could lose market share.**

Our products, including both hardware and software offerings, are complex and undoubtedly contain defects or security vulnerabilities, or may experience failures or unsatisfactory performance due to any number of issues in design, fabrication, packaging, materials and/or use within a system. These risks may increase as our products are introduced into new devices, markets, technologies and applications, or as new versions are released. There can be no assurance that our pre-shipment testing programs will be successful in detecting all defects, and some errors in our products may only be discovered after a product has been shipped or used by customers or the end users of such product.

Any defects could cause us to incur significant warranty, support and repair or replacement costs, write off the value of related inventory, lose market share, and divert the attention of our engineering personnel from our product development efforts to find and correct the issue. In addition, an error or defect in new products or releases or related software after commencement of commercial shipments could result in failure to achieve market acceptance, harm our relationships with customers and partners and harm consumers' perceptions of our brand. Furthermore, if a defect were to relate to a product that is used in industrial applications, it could be associated with the cause of physical damage or injury. Moreover, we may be required to reimburse our customers, partners or consumers, including costs to repair or replace products in the field. A product recall, including recalls due to a bug in our products, or a significant number of product returns could be expensive, damage our reputation, harm our ability to attract new customers, result in the shifting of business to competitors

and result in litigation against us, such as product liability suits. An inability to cure a product defect or security vulnerability could result in the failure of a product line, temporary or permanent withdrawal of a product from a market, damage to our reputation, inventory costs, or product reengineering expenses, any of which could have a material impact on our business, financial condition, results of operations and prospects.

Any actual or perceived defects, errors or failure in our products could also lead to product liability claims or lawsuits against us or our customers. If a product liability claim is brought against us, the cost of defending the claim could be significant and could divert the efforts of our technical and management personnel, and harm our business. A successful product liability claim could result in substantial costs and could have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, our business liability insurance may be inadequate or future coverage on acceptable terms may be unavailable.

**Vulnerabilities and critical security defects could result in claims of liability against us, damage our reputation, or otherwise materially harm our business.**

Our products may contain vulnerabilities or critical security defects which have not been remedied and cannot be disclosed without compromising security. We also make prioritisation decisions in determining which vulnerabilities or security defects to fix and the timing of these fixes. In addition, we rely on third-party providers of software and cloud-based services, and we cannot control the rate at which they remedy vulnerabilities. When customers do not deploy specific releases, or decide not to upgrade to the latest versions of our products or cloud-based solutions containing the release, they may be left vulnerable. Vulnerabilities and critical security defects, prioritisation decisions in remedying vulnerabilities or security defects, failure of third-party providers to remedy vulnerabilities or security defects, or customers not deploying specific releases or deciding not to upgrade products or solutions could result in claims of liability against us, damage our brand or reputation or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

**Many of our products are subject to competitive pressures.**

Because of the rapid change that characterises our industry and our focus on low-cost products that primarily rely on existing technology, barriers to entry in our markets are relatively low. As a result, our business model and certain of our products could be replicated by competitors, particularly if they were willing to operate at a temporary loss. Any future competitor's products and technologies might be less costly, or might offer superior functionality or better features. This could result, among other things, in our being forced to lower our prices, or provide increased functionality without a commensurate increase in the prices we charge, in order to compete. As our products are strategically priced at the lower end of the market, our business model depends on selling high volumes of products at low unit gross profits. We therefore have limited ability to increase or maintain our unit gross profits if pricing pressure forces us to reduce our products' pricing. In addition, potential competitors could operate their own fabrication facilities, have longer operating histories, have larger customer bases, have more comprehensive intellectual property portfolios and patent protections, or have greater financial, sales, marketing, technical and distribution resources than we do. Any such competitors may be able to more effectively identify and capitalise upon opportunities in new markets and end user customer trends, more quickly transition their products, including SBCs, compute modules, accessories, and semiconductor products, and obtain sufficient foundry capacity and packaging materials, any of which could harm our business. Furthermore, if we are unable to meet the demand for our products, our customers may choose to purchase alternative products from our competitors, which may result in our both losing customers and, indirectly, supporting the financing and development of competing products.

If we are unable to successfully compete in our target markets, respond to changes in our target markets, meet demand for our products or introduce new offerings to meet the needs of our customers, including in significant international markets, demand for our products and technologies could decrease. In addition, the competitive

landscape in our target markets has changed and may continue to evolve due to a trend toward consolidation, which could lead to fewer customers, partners, or suppliers, any of which could negatively affect our financial results. If we face increased competition, it could materially adversely affect our business, financial condition, results of operations and prospects.

**If we are unable to protect, maintain and enhance our brand, or if events occur that damage our brand, our business may be seriously harmed.**

We believe that our strong brand is an important part of our relationship with our customers and therefore our success, and that maintaining and enhancing our brand is critical to expanding our customer base. One of our goals is to provide access to low-cost computers so that people around the world can access computing technology. We do this by providing low-cost, high-performance SBCs and compute modules, together with accompanying accessories. However, to maintain these low costs, we rely on a community of users to remain continuously active in providing free software and product support. Therefore, one of our primary focuses is on ensuring that our customers and user community continue to view us and our brand favourably so that this support continues.

Maintaining and enhancing our brand will depend on our ability to continue to provide low-cost and innovative products, which we may be unable to do. For instance, we may introduce new products, make changes to or discontinue existing products, require our users to agree to unpopular new terms of service, be unable to supply new or existing products in the quantities and with the characteristics sought by our users, or otherwise fail to adequately support the needs of our users, any of which could erode confidence in our brand. In addition, the promotion of our brand may require substantial expenditures, which could increase as the market becomes more competitive and if we expand into new markets.

Any negative change to the perception of our brand among our customers could have a material adverse effect on our business. For example, any negative discussions on social media sites (principally X, Reddit, Threads, Instagram, Facebook, YouTube, LinkedIn or certain blogs), or on online customer review sites, or customer forums, all of which are difficult to police, or any negative media attention or negative comments regarding customer support could have a significant adverse effect on our brand. In addition, independent industry analysts and influencers may review our products, and the perception of our brand in the marketplace may be affected by these reviews. If these reviews are negative, or less positive as compared to those of our competitors, our brand may be adversely affected. Furthermore, our standard terms and conditions state that our products are not intended for certain uses (such as healthcare or military use), and any misuse of our products or use of our products for illegal purposes could result in adverse publicity.

In addition, because a significant proportion of our products are sold through our ARs and our Licensee, actions by our ARs or Licensee, or other third parties, could have a negative effect on our brand as well. It is also more difficult to maintain and enhance our brand with customers who purchase our products through our Licensee, especially in regions where we have less direct contact with end customers.

Furthermore, on 3 September 2021, RPL entered into a Trade Mark Licence agreement with the Raspberry Pi Foundation (the “Foundation”), pursuant to which RPL was, subject to certain terms and conditions, required to continue to produce low-cost general-purpose computers (at the time the Trade Mark Licence was signed, the Raspberry Pi 4 (2GB)) for educational purposes at a price per unit not in excess of the higher of (i) \$35 and (ii) the manufactured cost plus twenty per cent., and to ensure they are generally available for purchase. As a result of increasing component costs, which in turn resulted in our having to increase the price of Raspberry Pi 4 (2GB), on 21 February 2024, the Trade Mark License agreement was amended to increase the price per unit limit under (i) above from \$35 to \$45. The Raspberry Pi 4 (2GB) currently retails for \$45. If RPL breaches this obligation for reasons that are within its reasonable control, fails to remedy the breach, and fails to resolve the breach through a good faith discussion between RPL and the Foundation, RPL could be required to assign

ownership of the Raspberry Pi Trade Marks to the Foundation. The Group would then have to enter into a new arrangement to allow it to continue to use the Raspberry Pi Trade Marks, and there can be no assurance it would be able to do so on commercially reasonable terms or at all.

Due to the close association between the Foundation, its charitable mission and the Company, actions by the Foundation could also adversely affect our brand. The Foundation uses media to advocate its charitable mission, promote its computing clubs and online events, and publicise its partnerships with youth organisations around the world. Negative feedback from our user community or other negative media attention related to us or the Foundation (which, in the case of the Foundation, could be more pronounced due to the Foundation's direct engagement with young people) could therefore have an adverse impact on our brand and reputation, as well as on the size, loyalty of, and demand from our customer base.

If we do not successfully protect, maintain and enhance our brand, our ability to attract new customers and maintain our existing customer and Licensee relationships could be adversely affected, which could affect our business, financial condition, results of operations and prospects.

**Business disruptions could harm our business and our supply chain, lead to a decline in revenues, and increase our costs.**

The manufacture of components for our products, in particular the semiconductors that we use in our products, is concentrated in Southeast Asia. In particular, Taiwan is near the fault lines on the Pacific Rim and faces elevated risk of natural disasters, particularly earthquakes and tsunamis, as well as geopolitical risk due to its relationship with China. In addition, the final assembly of substantially all of our products occurs at the Sony Facility, and they store substantial inventories of components on our behalf. Furthermore, substantially all of our finished product inventory is stored in a single warehouse in Suffolk, England. In each case, these inventories are accounted for on our balance sheet.

The timely supply of products from any of these facilities could be disrupted by numerous events outside our control, including (as relevant) telecommunications failures, disruptions to shipping and transport networks (for example, we have, on occasion, experienced delays in supplies due to long port delays in the UK), power or water shortages, outages at cloud service providers or other critical infrastructure providers, earthquakes, tsunamis, floods, hurricanes, fires, cyberattacks, theft, terrorist attacks, medical epidemics or pandemics (including, but not limited to, COVID-19) and other natural or man-made disasters, including climate change. Any of these events could harm our business and result in significant losses (particularly if we are unable to claim in full under applicable insurance policies), a decline in revenue and an increase in our costs. Any of these business disruptions could also require substantial expenditures and recovery time for us to fully resume operations.

Due to the above factors, we are particularly exposed to disruptions that are focused on these key locations, as well as localised catastrophic events that affect the third-party vendors that provide us with critical infrastructure services such as IT, security, research and development, and personnel services.

In the event of a disruption to the operations of any of these facilities, our business, financial condition, results of operations and prospects could be materially adversely affected.

**Our insurance coverage may not be adequate to compensate for any disruptions to our operations or loss of business.**

We seek to carry insurance for such risks and in such amounts as we consider reasonably prudent, in light of risks common to our industry and applicable to our operations. These policies include coverage for our inventories stored at third-party premises, including, among others, the Sony Facility (although inventories at the Sony Facility are insured for loss primarily by Sony's insurance policies, with limited supplemental insurance coverage maintained by us) and the Suffolk warehouse. The policies also include insurance coverage

for product and environmental liability, credit risk, professional indemnity, directors' and officers' liability, property, cyber, corporate travel, collective accident and legal protection. However, we are subject to the risk that our judgements regarding the levels and types of insurance that we carry are incorrect, or that our insurance and contractual limitations on liability may not adequately protect us against liability for events involving, without limitation, a catastrophic incident, such as an explosion, a fire or flood, any of which could result in the interruption and closure of the particular location impacted, or that we incur liability in excess of our insurance coverage. For example, we currently have limited business interruption insurance covering the operations of the Sony Facility. As such, if that facility were to suffer a material disruption, our ability to arrange for the manufacture of our products would be adversely affected until we could establish alternative arrangements, and there is a risk that we would not be adequately compensated for this disruption. We may also face risks arising from the cost of insuring our operating activities. We may encounter difficulties renewing insurance policies on the same or similar commercial terms in the future, or in a timely manner or at all, which may lead to gaps in coverage, higher premiums, or changes in coverage, in particular if we make a claim under one or more of our policies. Furthermore, there can be no assurance that we will be able to recover the full extent of loss following a claim. Any of these circumstances could have a material adverse effect on our business, financial condition, results of operations and prospects.

**System security and data protection breaches, as well as cyber-attacks, could disrupt our operations, reduce our expected revenue and increase our expenses.**

We rely heavily on distributed and centralised information technology ("IT") systems and networks to support business processes as well as internal and external communications, and this reliance has only increased as a result of our employees' increased rate of working from home. The consistent, efficient, and secure operation of our IT systems, including computer hardware, software and networks, including those of third-party IT providers or business partners engaged by us, is critical to the successful performance of our operations and our reputation.

Our internal IT systems and networks are susceptible to malfunctions and interruptions from a variety of sources, including due to unauthorised access, cyber-attacks, equipment damage, deficient database design, power outages, computer viruses and a range of other hardware, software and network problems. From time to time we have experienced intermittent malfunctions and interruptions. Security breaches, computer malware, phishing, and cyber-attacks have become more prevalent and sophisticated in recent years. These threats are constantly evolving, making it increasingly difficult to successfully defend against them or implement adequate preventative measures. These attacks have occurred on our systems in the past and are expected to occur in the future. Experienced computer programmers, hackers and employees may penetrate our security controls and misappropriate or compromise our confidential information, or that of our employees or third parties. These attacks may create system disruptions or cause shutdowns. For portions of our IT infrastructure, including business management and communication software products, we rely on products and services provided by third parties. These providers may also experience breaches and attacks to their products which may impact our systems. Data security breaches may also result from non-technical means, such as actions by an employee with access to our systems. To defend against security threats, we intend to continue to develop security measures internally, ensure our suppliers have appropriate security measures in place, and continue to meet the evolving security requirements of our customers, however, we may not be successful and as a result, our business could be negatively impacted.

Actual or perceived breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us, our partners, our customers or third parties could expose us and the parties affected to a risk of loss or misuse of this information. This could result in litigation and potential liability, monetary damages, regulatory inquiries or actions, damage to our brand and reputation or other harm to our business. Our efforts to prevent and overcome

these challenges could increase our expenses and may not be successful. We may experience interruptions, delays, cessation of service and loss of existing or potential customers. Such disruptions could adversely impact our ability to fulfil orders and interrupt other critical functions. Delayed sales, lower margins or lost customers as a result of these disruptions could adversely affect our business, financial condition, results of operations and prospects.

**If open-source software programmers, most of whom we do not employ, do not continue to develop open-source technologies, we may be unable to adequately enhance our existing products or meet customer requirements for innovation, quality, and price.**

We rely to a significant degree on independent, open-source software programmers to develop and enhance our enterprise technologies. For example, the open-source community develops the Linux kernel, on which the majority of our SBC products rely. If these communities fail to adequately develop and enhance our open-source software, we will have to rely on other parties to develop and enhance our offerings or we would need to develop and enhance our offerings with our own resources. We cannot predict whether further developments and enhancements to these technologies would be available from reliable alternative sources. In either event, our development expenses could be increased. Moreover, if third-party software programmers fail to adequately develop and enhance open-source software, the development and adoption of these platforms and software could be stifled and our offerings could become less competitive. Delays in developing, completing, or delivering new or enhanced offerings could result in delayed or reduced revenue and could also adversely affect customer acceptance of those offerings, which could in turn materially adversely affect our business, financial condition, results of operations and prospects.

**Products sold to our customers in markets outside the United States could cost more in those markets if the U.S. dollar increases in value relative to non-U.S. dollar currencies.**

Because we account in U.S. dollars and our component costs are tied to the U.S. dollar, we price our products by reference to U.S. dollars. As our products are sold worldwide, an increase in the value of the U.S. dollar relative to a local currency could increase the real cost to our customers of our products in markets outside the United States, which could have a material adverse effect on the demand for our products in these jurisdictions.

**Risks related to our intellectual property**

**Our intellectual property rights may prove to be difficult to enforce.**

We own various intellectual property rights, including trademarks, design rights registrations, copyrights, and patents pending. The success of our business depends on our ability to protect and enforce these intellectual property rights. We seek to protect our intellectual property under patent, trademark, copyright, design registration, and trade secret laws, and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. We generally enter into confidentiality, invention assignment or licence agreements with employees, consultants, vendors, partners and customers, and generally limit access to, and distribution of, our proprietary information. However, there can be no assurance that we have entered into such agreements with all relevant parties or that the agreements entered into will not be breached. Despite our best efforts to protect our intellectual property rights, unauthorised parties may not be deterred from misuse, theft or misappropriation of information we regard as proprietary.

We have filed various applications for certain aspects of our intellectual property, including patents and trademarks. Valid patents may not be issued from pending applications. We cannot be certain that we were the first to make the inventions claimed in our pending patent applications or that we were the first to file for patent protection, which could prevent patents being issued or invalidate patents following their issue. Any rights granted under issued patents may not provide sufficient protection or competitive advantages and issued patents may be challenged, invalidated or circumvented. Additionally, the claims allowed on any patents may not be



sufficiently broad to protect our platform or technologies. Similarly, trademark applications and registrations may be challenged by third parties and registered trademarks may, following registration, be declared invalid or revoked. The process of obtaining patent, trademark or other registered intellectual property protection is time-consuming and costly, and we may not be able to pursue all necessary or desirable applications, or renew registrations, within the required timeframe or at a reasonable cost.

In addition, it is difficult, time-consuming and costly to monitor unauthorised use of our intellectual property, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the UK and United States, and where mechanisms for enforcement of intellectual property rights may be weak. Attempts to enforce our rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or take unilateral steps to invalidate our intellectual property rights, which could result in an action that invalidates or narrows the scope of our rights, in whole or in part. If we are unable to protect our proprietary rights (including aspects of our software and products protected other than by patent rights), we may be at a competitive disadvantage compared to others who need not incur the additional expense, time, and effort required to create the innovative products that have enabled us to be successful to date. Any of these events could materially adversely affect our business, financial condition, results of operations and prospects.

**We may be found to infringe on the intellectual property rights of others.**

Third parties may in the future assert claims or initiate litigation related to patent, copyright, trademark, and other intellectual property rights to technologies and related standards that are relevant to us. Because of the large number of patents in the technology industry, the secrecy of some pending patents, and the rapid rate of issuance of new patents, as well as our relatively limited resources, when compared to many technology companies, it is not economically practical or even possible to determine in advance whether a product or any of its components infringes or will infringe on the patent rights of others. The asserted claims and/or initiated litigation can include claims against us or our manufacturers, suppliers, contractors, employees or customers alleging infringement of a party's proprietary rights with respect to our existing or future designs, products or product components. This can be a common commercial negotiating tactic in the industry, and regardless of the merit of these claims, they can be time-consuming, result in costly litigation and diversion of technical and management personnel. In addition, we might be required to develop non-infringing technology, which could require significant effort and expense and might not be successful. We might also need to enter into licencing agreements for the use of a third party's intellectual property, which may not be available on acceptable terms and conditions, if at all. Where claims are made by counterparties with whom we have relationships, resistance even to unmeritorious claims could damage those relationships. There can be no assurance that indemnification by our suppliers will be adequate to cover our costs if a claim were brought directly against us or our customers. Furthermore, because of the potential for high court awards that are not necessarily predictable, it is not unusual to find even arguably unmeritorious claims settled for significant amounts. If any infringement or other intellectual property claim made against us by any third party is successful, if we are required to indemnify a customer or supplier with respect to a claim against them, or if we fail to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions, our business, financial condition, results of operations and prospects could be materially and adversely affected. Our exposure to risks associated with the use of intellectual property may be increased as a result of acquisitions, as we have a lower level of visibility into the development process with respect to such technology or the care taken to safeguard against infringement risks.

Any significant impairment of our intellectual property rights from any litigation we face could harm our business and our ability to compete. If some or all of our products are prevented from being sold, we may be subject to a loss of revenue and customers, as well as reputational damage. Any of these consequences could materially adversely affect our business, financial condition, results of operations, and prospects.



**As we expand our operations geographically, we may face additional challenges to our intellectual property rights.**

We face a range of intellectual property risks that differ by jurisdiction, and as we expand our operations and gain greater visibility as a listed company, these risks may increase. The laws and enforcement practices of certain developing jurisdictions in which we operate may not protect our intellectual property rights to the same extent as in the UK, the United States, or the EU, and may impose joint venture, technology transfer, local service or other foreign investment requirements and restrictions that could potentially compromise our control over our technology and proprietary information. Failure of foreign jurisdictions to protect our intellectual property rights, an inability to effectively enforce such rights in foreign jurisdictions, or the imposition of foreign jurisdiction investment or sourcing restrictions or requirements could result in loss of valuable proprietary information and could impact our competitive position and our business, financial condition, results of operations and prospects. As we continue to expand our sales and operations into more jurisdictions and shift to a direct distribution model, these legal and regulatory risks will continue to increase, and our ability to enforce our rights may prove more challenging.

**We rely on the availability of third-party licences, and any issues we encounter with respect to these licences could adversely affect our ability to design, develop and sell our products.**

Our products are designed to include software or other intellectual property licensed from third parties, including but not limited to HDMI LLC, MPEG LA, Synopsys, Cadence, Arm, CEVA, Sirius, Dolphin, and Aragio, and any new products that we release in the future may also rely on third-party intellectual property. It may be necessary to seek or renew licences relating to various aspects of these products, sometimes with licensors with whom we do not currently have a relationship. There can be no assurance that the necessary licences would be available on acceptable terms or at all.

Pursuant to the terms of certain of our licence agreements, such as our HDMI and MPEG LA licences, our licensors have rights of audit and challenge. We cannot be certain that we have fully complied with the terms of our licences, some of which are subject to the application of judgement. As such, if a licensor were to conduct such an audit and deem us to be in breach of the terms of the licence, they could potentially make a claim for breach, seek to terminate the licence, make a claim against us for fees and/or damages or otherwise take action that could materially adversely affect our business, financial condition, results of operations and prospects.

The inability to obtain certain licences or other rights or to obtain such licences or rights on favourable terms, or the need to engage in litigation regarding these matters, could result in delays in product releases until equivalent technology can be identified, licensed, developed, acquired or integrated, if such equivalent technology is available at all, and we may need to use alternative technology of lower quality or performance standards, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, third parties may allege that additional licences are required for our use of their software or intellectual property, and we may be unable to obtain such licences on commercially reasonable terms or at all. Moreover, the inclusion in our products of software or other intellectual property licensed from third parties on a non-exclusive basis could limit our ability to protect our proprietary rights in our devices.

**Our reputation and our business may be damaged by the production and sale of counterfeit versions of our products.**

Our products are subject to efforts by third parties to produce counterfeit versions of our products. While we have worked with trademark attorneys to block the manufacture of counterfeit goods and to interdict their sale, and to detect counterfeit products in customer networks, there can be no guarantee that future efforts in this regard will succeed. While counterfeiters often aim their sales at customers who might not have otherwise purchased our products due to lack of verifiability of origin and service, counterfeit sales, to the extent they

replace otherwise legitimate sales, could adversely affect our operating results. Furthermore, poor quality counterfeit products could harm the reputation of our products in the market. For example, in 2019, we experienced an issue with poor quality counterfeit plastic cases for certain of our products, which were therefore associated with our brand. A reduction in sales or reputational damage caused by counterfeit products could therefore have a material adverse effect on our business, financial condition, results of operations and prospects.

### **Risks related to the legal and regulatory environment in which we operate**

#### **We are subject to laws and regulations in the countries in which we operate, and our failure to comply with them could result in adverse publicity, potentially significant monetary damages and fines, and the suspension of our business operations.**

We are subject to numerous laws, regulations, standards and protocols in the jurisdictions in which we operate relating to, among other things:

- consumer protection and product liability;
- the wireless standards applicable to, and electromagnetic compliance of, and appropriate labelling of, the products that we design and develop;
- the security of data and control of the operations of physical objects that are embedded with sensors, processing ability, software, and other technologies which connect and exchange data with other devices and systems over the Internet or other communication networks (the “Internet of Things” or “IoT”);
- import and export, including trade restrictions such as sanctions and embargoes;
- tax;
- employment, human resources;
- health and safety;
- environmental sustainability (including climate change);
- forced labour and modern slavery in our supplier and reseller chain;
- advertising;
- data protection and privacy;
- wage and price controls;
- foreign exchange controls;
- foreign investment; and
- competition and antitrust.

As we continue to expand our business into new geographies, we will become subject to additional legal and regulatory requirements in these and other respects, which could have a material impact on the way in which we are able to offer our products to end users.

In addition, our ability to hire and maintain qualified staff and maintain the safety of our employees may also differ by location. Compliance with these requirements can be onerous and expensive, and may otherwise adversely affect our business, financial condition, results of operations and prospects. Furthermore, the legal and regulatory regimes of some of the jurisdictions in which we sell our products may not be as well developed

and familiar to us as those in other countries in which we operate, particularly those in Western Europe and the United States.

Any significant changes to the legal or regulatory environment in which we operate, including as a result of our becoming subject to new laws and regulations, may require us to further enhance our risk and compliance capabilities, result in higher compliance costs, or change the way we design, develop and arrange for the manufacture of our products, any of which could increase our cost base and have an adverse effect on our unit gross profit. For example, changes in product certification could cause us to go through disruptive, time-consuming, and costly re-certification processes, or new laws and regulations in response to climate change could result in increased energy efficiency requirements for our products, which we may struggle to meet, and increased compliance and energy costs. In addition, although we have policies, controls, and procedures designed to help ensure compliance with applicable laws and regulations, there can be no assurance that our employees, contractors, suppliers, or agents will not violate such laws or regulations, or our policies.

While we cannot anticipate the scope and timing of any changes to the legal and regulatory environment in which we operate, our failure to comply with applicable laws and regulations may result in product recalls, fines or penalties, liability for personal injury and/or property damage, and reputational damage, any of which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

**We are subject to certain anti-corruption, anti-money laundering, anti-bribery, export control, and sanctions laws and regulations, and non-compliance with such laws and regulations may subject us to criminal and/or civil liability and harm our business and reputation.**

We are subject to certain anti-corruption, anti-money laundering, anti-bribery, export control, and sanction laws and regulations, including in the United States, the UK, the EU and Asia. Anti-corruption laws are often interpreted broadly and may prohibit companies, their employees and their third-party partners, such as agents, legal counsel, accountants, consultants, contractors and other partners, from authorising, promising, offering, providing, soliciting or receiving, directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. We and our third-party partners may have direct and/or indirect interactions with officials and employees of government agencies, universities and other organisations, including in connection with obtaining necessary permits, licences, patent registrations and other regulatory approvals. We could be held liable for the corrupt or other illegal activities of our personnel and third-party partners. Any of the foregoing could not only harm our business, but also our reputation. These risks could be significant if our controls and procedures to monitor exposure and compliance are not successful.

Sanctions and other related laws and regulations restrict our business dealings with certain sanctioned countries, persons and/or organisations. However, if other persons and entities with whom we currently, or in the future, transact become subject to sanctions, or the countries in which we currently operate become subject to restrictive sanctions in the future, it could result in reputational damage, fines or other censure to us, or limit our operations, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. In addition, if our products are resold or used in sanctioned jurisdictions or by sanctioned parties, our reputation could be adversely affected and/or we could become subject to further restrictions on our businesses, even if we were unaware of the misuse of our products in these circumstances. Furthermore, if we are unable to ship our products to certain countries because of sanctions that we must comply with, but which our competitors are not similarly affected by, then our business could be adversely affected. Moreover, monitoring compliance with evolving sanctions laws may impose a significant financial burden on us.

Although export licences are not currently required for our business, and none of our products are currently subject to recent US, EU and UK legislation requiring licenses for their export to China, export regulations are subject to changes that could affect our ability to ship products to certain countries and markets, including

China. In particular, as the performance capabilities of our products increase, they may become subject to export controls regarding products that meet threshold levels of computational capability or cryptographic functionality. While we seek to assess the capabilities of our products against relevant export control laws and regulations and do not currently believe that our products are subject to them, there can be no assurance that our products will not become subject to these laws and regulations in the future. If we become subject to these requirements, any failure to obtain requisite export licences or otherwise comply with applicable export controls for our products, or having one or more of our customers be restricted from receiving exports from us, could adversely affect our ability to enter into new commercial arrangements and continue performing under existing commercial arrangements, and could materially and adversely affect our business, financial condition, results of operations and prospects.

**Legal, administrative, regulatory or arbitration proceedings or investigations could adversely affect our reputation and harm our business and financial condition.**

We may, from time to time, become involved in various actual or threatened legal, administrative, regulatory and arbitration proceedings and investigations arising out of or in connection with our ordinary course of business. Regardless of the merits of the claims, and whether the matter or amount subject to the claim is individually material, the cost of pursuing or defending current and future legal, administrative and arbitration proceedings or investigations may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in substantial monetary damages, penalties and fines or injunctive relief against us, as well as reputational damage.

While we maintain insurance for certain legal risks at levels that we believe to be appropriate and consistent with industry practice, we may incur losses relating to litigation beyond the scope or limits of such insurance coverage, and our provisions for litigation-related losses may not be sufficient to cover our ultimate loss or expenditure. Any future litigation-related provisions recorded by us, in a situation when we believe that a liability is likely to materialise and the associated amount can be reasonably estimated, may also be incorrect or inadequate to cover actual losses.

An unfavourable outcome in any litigation investigation, administrative proceeding, or other material dispute, or reputational damage resulting from a dispute, could materially adversely affect our business, financial condition, results of operations and prospects.

**We are subject to tax laws and regulations that are subject to interpretation, and changes in tax laws and practice may impact us.**

Our activities are principally conducted in the UK and the United States, and we are subject to taxes at various rates in these and other jurisdictions. Tax laws and regulations are inherently complex, and we are obliged to exercise significant judgement and interpretation in relation to the application of such laws and regulations to our business. In addition, tax laws and regulations, and the interpretation of the same, change regularly. Our interpretation and application of tax laws and regulations could be challenged by the relevant governmental authorities. Any such challenge could result in administrative or judicial procedures, actions or sanctions, the ultimate outcome of which could adversely affect our business, financial condition, results of operation and prospects.

We could also be subject to periodic tax audits which could result in additional tax assessments relating to past periods being made. Although we believe our tax estimates and methodologies are reasonable and we have not been the subject of any tax investigations, tax authorities have generally become more aggressive in their interpretation and enforcement of such laws, rules and regulations, as governments increasingly focus on ways to increase revenues. As such, any challenges to our estimates and methodologies, or any additional taxes or other assessments that we become subject to, may result in our exposure to additional taxes.

There can be no assurance that we would be successful in attempting to mitigate the adverse impacts resulting from any changes in tax laws, regulations and rates, from any changes in the interpretation and application of any tax laws or regulations, or from any audits and other matters. Our inability to mitigate the negative consequences of any such changes could cause our profitability to decrease or otherwise have a material adverse effect on our business, financial condition, results of operation and prospects.

### **Risks related to the Global Offer and the Offer Shares**

#### **There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.**

Prior to the Global Offer, there has been no public trading market for the Shares. The Offer Price will be determined by the Company and Principal Shareholder in consultation with the Joint Global Co-ordinators and may not be indicative of the market price for the Shares following Admission. Although the Company intends to apply to the FCA for the admission of the Shares to the premium listing segment of the Official List and intends to apply to the London Stock Exchange for admission to trading on its main market for listed securities, we can give no assurance that an active trading market for the Shares will develop or, if developed, can be sustained following the closing of the Global Offer. If an active trading market does not develop or is not sustained, the liquidity and trading price of the Shares could be materially adversely affected, and investors may have difficulty selling their Shares.

#### **The value of the Shares may fluctuate significantly, and the market price of the Shares may decline disproportionately in response to developments that are unrelated to our operating performance.**

Following the Global Offer, the value of the Shares may fluctuate significantly as a result of a large number of factors, including, but not limited to, those discussed in this Part II, as well as period-to-period variations in operating results or changes in our revenue or profit estimates by industry participants or financial analysts. The Shares may trade at a discount to the net asset value per Share. The value of the Shares could also be affected by developments unrelated to our operating performance, such as the operating and share price performance of other companies that investors may consider comparable to our business, speculation about us in the press or investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not we derive significant revenue therefrom. Any or all of these factors could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

#### **The Foundation's interests may not be aligned with those of other shareholders.**

Immediately following Admission, the Foundation will continue to have an indirect interest, through the Principal Selling Shareholder, in 49.08 per cent. of the Company's issued Share capital, assuming no exercise of the Over-allotment Option and 46.70 per cent of the Company's issued Share capital if the Over-allotment Option is exercised in full. As a result, the Foundation will, through the Principal Shareholder, possess sufficient voting power to have significant influence over all matters requiring shareholder approval, including the election of directors, approval of significant corporate transactions and the ability to delay, defer or prevent a change of control.

Although the Foundation and the Principal Shareholder have entered into the Foundation Relationship Agreement with the Company to govern their relationship with the Company after Admission, to the extent that the Foundation, through the Principal Shareholder, retains a substantial interest in the Company, it may be able to exercise significant influence over its management, Board of Directors' decisions, and shareholders' meetings. The Foundation may have strategic objectives or other goals that diverge from those of other

shareholders and, accordingly, there can be no assurance that the Foundation's interests will coincide with the interests of purchasers of the Shares.

Furthermore, while the Foundation, through the Principal Shareholder, has a long-term objective to sell down its stake in the Company over a ten-year period, there can be no assurance how much of its stake that it will sell, or when it will do so.

**The market price of the Shares could be negatively affected by sales of substantial amounts of Shares in the public market by the Principal Shareholder, including following the expiry of the lock-up period, or the perception that such sales could occur.**

Following the Global Offer, the Principal Shareholder will continue to have an interest in 46.70 per cent. of the Company's issued Share capital, assuming the Over-allotment Option is exercised in full. Pursuant to the terms of the Underwriting Agreement (as defined below), the Principal Shareholder is subject to restrictions on the sale and/or transfer of its holding in the Company's Shares for the duration of a lock-up period of 360 days after Admission. The sale of a substantial number of Shares by the Principal Shareholder in the public market after the lock-up restrictions in the Underwriting Agreement (as defined below) expire (or are waived by the Joint Global Co-ordinators), or the perception that these sales may occur, may depress the market price of the Shares and could impair the Company's ability to raise capital through the issuance of additional Shares or negatively impact the market price of Shares.

**The issuance of additional Shares in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute other shareholdings.**

We may seek to raise financing to fund inventory, future acquisitions, strategic growth opportunities and other investment in our business. We may, for these and other purposes, such as in connection with share incentive and share option plans, issue additional Shares or securities convertible into Shares. As a result, Shareholders may suffer dilution in their percentage ownership, or the price of the Shares may be adversely affected.

**The Company is a holding company and substantially all of its operations are conducted through its subsidiaries.**

The Company conducts substantially all of its operations through subsidiaries that generate substantially all of the Group's operating income and cash flow. The Company has no direct operations or significant assets (other than the share capital of its subsidiaries), so it relies on its subsidiaries for cash flow to pay dividends, if any. In addition, the Company's subsidiaries are separate and distinct legal entities, so they are not obliged to pay dividends or to lend or advance funds to the Company.

**Shareholders may not receive dividends.**

Our business, financial condition, results of operations, and prospects are dependent on our trading performance. There can be no assurance that we will pay dividends in the future, and as a matter of English law, we can only pay dividends to the extent that we have sufficient distributable reserves available. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, amongst other things, applicable law, regulation, restrictions, our financial position, working capital requirements, finance costs, general economic conditions and other factors we deem significant from time to time.

**If we are considered to be a passive foreign investment company for U.S. federal income tax purposes for any taxable year, U.S. Holders of Offer Shares could be subject to adverse U.S. federal income tax consequences.**

A non-U.S. corporation will be classified as a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes for any taxable year if either: (a) at least 75 per cent. of its gross income is "passive



income” for purposes of the PFIC rules; or (b) at least 50 per cent. of the gross value of its assets (generally determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Based on our historic and anticipated operations, and the projected composition of our income and assets (including un-booked goodwill as valued based on the projected market value of our equity), we do not believe that we were a PFIC for our most recent taxable year and do not expect to be a PFIC for the current taxable year. However, our possible status as a PFIC must be determined annually after the close of each taxable year, and therefore may be subject to change. This determination will depend on the composition of our income and assets, and the fair market value of our assets from time to time. In addition, our possible status as a PFIC will also depend on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that we will not be considered a PFIC for any taxable year. If we were a PFIC, a U.S. Holder of Offer Shares may be subject to adverse U.S. federal income tax consequences, such as taxation at the highest marginal ordinary income tax rates on gains recognised on certain actual or deemed distributions, interest charges on certain taxes treated as deferred, and additional reporting requirements.

**Pre-emptive rights may not be available to U.S. holders of the Shares.**

U.S. holders of Shares may not be able to receive (or trade) or exercise pre-emptive rights for new shares unless a registration statement under the U.S. Securities Act is effective with respect to such rights or an exemption from the registration requirements of the U.S. Securities Act is available. The Company does not plan to become a registrant under the U.S. securities laws. If U.S. holders of the Shares are not able to receive (or trade) or exercise pre-emptive rights granted in respect of their Shares in any pre-emptive offering by the Company, then they may not receive the economic benefit of such rights. In addition, their proportional ownership interests in the Shares may be diluted.



## **PART III**

### **PRESENTATION OF INFORMATION**

#### **General**

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Global Offer, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders or any of the Banks. No representation or warranty, express or implied, is made by any of the Banks or any selling agent or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by any of the Banks, any of their respective affiliates or any selling agent as to the past, present or future.

Without prejudice to any obligation the Company has to publish a supplementary prospectus pursuant to the FSMA, neither the delivery of this Prospectus nor any subscription or sale of Offer Shares pursuant to the Global Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Global Offer occurs after the publication of this Prospectus and prior to Admission or if this Prospectus contains any material mistake or substantial inaccuracy. This Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this Prospectus is published prior to Admission, investors shall have the right to withdraw their applications for Offer Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this Prospectus are not to be construed as legal, business, financial, tax or related advice. Each prospective investor should consult his or her own lawyer, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice. In making an investment decision, each investor must rely on his or her own examination, analysis and enquiry of the Company and the terms of the Global Offer, including the merits and risks involved.

The Banks are acting exclusively for the Company and no one else in connection with the Global Offer. The Banks will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Global Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for the giving of advice in relation to the Global Offer or any transaction, matter, or arrangement referred to in this Prospectus. Neither the Banks nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this Prospectus, including its accuracy, completeness and verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Global Offer. Each of the Banks and each of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law or regulation (including under the FSMA or the regulatory regime established thereunder), all and any liability, whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise be found to have in respect of this Prospectus or any such statement. Subject to the foregoing sentence, no representation or warranty, express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness, verification or

sufficiency of the information set out in this Prospectus, and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not as to the past or future.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholders, or any of the Banks, or any of their respective affiliates or representatives, that any recipient of this Prospectus should subscribe for or purchase the Offer Shares. Prior to making any decision as to whether to subscribe for or purchase Offer Shares, prospective investors should read this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus carefully and do not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company and the terms of this Prospectus and the Global Offer, including the risks involved.

Investors who subscribe for or purchase Offer Shares in the Global Offer will be deemed to have acknowledged that: (i) they have not relied on any of the Banks or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders or any of the Banks.

Neither the Company nor the Directors, the Selling Shareholders or any of the Banks or any of their respective affiliates or representatives are making any representation to any offeree, subscriber or purchaser of the Offer Shares in the Global Offer regarding the legality of an investment by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser.

In connection with the Global Offer, the Banks and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Offer Shares as a principal position and in that capacity may retain, subscribe for, purchase, sell, offer to sell or otherwise deal for their own accounts in the Offer Shares and the other securities of the Company or related investments in connection with the Global Offer or otherwise. Accordingly, references in this Prospectus to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by each of the Banks and any of their affiliates acting as investors for their own accounts. In addition, certain of the Banks or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

In the course of their business with the Company (or any related parties), the Banks (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, lending, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In addition, certain of the Banks or their affiliates may participate in financing arrangements, including potential margin loans secured by Shares, with the Selling Shareholders, either before or after Admission, in connection with which such Banks or their affiliates may from time to time acquire, hold or dispose of Shares. Such Banks or their affiliates may receive fees or other compensation as part of these arrangements in addition to any commissions received under the Underwriting Agreement. Additionally, the Banks may, in the ordinary course of their business, have held and in the future may hold the securities of the Company for investment. In respect of the aforementioned transactions, the sharing of information is generally restricted, for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Bank may have interests that

may not be aligned, or could potentially conflict, with the interests of investors in the Offer Shares or with the interests of the Company.

## **Presentation of Financial Information**

Unless otherwise stated, the financial information included in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: “*Historical Financial Information*” has been prepared in accordance with the requirements of the Prospectus Regulation Rules, the Listing Rules and the accounting policies set out in Note 2 of Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: “*Historical Financial Information*”.

The Company was incorporated on 12 March 2024 and, as at the date of this Prospectus, has no historical operations of its own, any significant assets (other than the share capital of its subsidiaries), or any liabilities. Therefore, this Prospectus does not present any standalone, unconsolidated financial information for the Company. In addition, as described in paragraph 4 of Part XVII: “*Additional Information—Pre-IPO Reorganisation*”, the Company will, pursuant to the Pre-IPO Reorganisation, become the parent company of the Group. Unless otherwise indicated, the financial information presented in this Prospectus has been extracted or derived from the historical financial information of RPL and its subsidiary undertakings.

Our financial year ends on 31 December. The financial information as at and for the three years ended 31 December 2021, 2022 and 2023 included in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: “*Historical Financial Information*” is covered by the Accountant’s Report on the Historical Financial Information included in Section A of Part XIII: “*Historical Financial Information*” which was prepared in accordance with UK adopted IFRS.

Unless otherwise stated in this Prospectus, our financial information referred to in this Prospectus has been extracted without material adjustment from the historical financial information in Part XIII: “*Historical Financial Information*” or has been extracted from our accounting records and our financial reporting and management systems that we have used to prepare that financial information. Investors should ensure that they read the whole of this Prospectus and not rely only on the key information or information summarised within it.

Unless otherwise indicated, none of the financial information relating to us or any operating data or key performance indicators relating to us has been audited (even where such operating data or key performance indicators include certain financial metrics).

### ***Pro forma financial information***

In this Prospectus, any reference to “pro forma” financial information is to information that has been extracted without material adjustment from the unaudited pro forma statement of consolidated net assets contained in Part XIV: “*Unaudited Pro Forma Financial Information*”. The unaudited pro forma financial information comprises an unaudited pro forma statement of consolidated net assets of the Group as at 31 December 2023 (the “Unaudited Pro Forma Statement of Consolidated Net Assets”).

The Unaudited Pro Forma Statement of Consolidated Net Assets has been prepared on the basis described in Section B of Part XIV: “*Unaudited Pro Forma Financial Information*” and in accordance with Annex 20 of the PR Regulation to illustrate the effect of the receipt of the net proceeds by the Company from the sale of all of the New Shares as part of the Global Offer on the Group’s net assets, as if they had taken place as at 31 December 2023.

The Unaudited Pro Forma Statement of Consolidated Net Assets is for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results of operations. Future results of operations may differ materially from those presented in the Unaudited Pro Forma Statement of Consolidated Net Assets due to various factors. The Unaudited Pro Forma Statement of Consolidated Net Assets has not been prepared, and shall not be construed as having been prepared, in accordance with Regulation S-X under the Securities Act.

### ***Alternative Performance Measures***

The discussion of financial results in this Prospectus contains certain non-IFRS financial measures. We believe these measures provide investors with additional information about underlying results and trends, as well as insight into some of the metrics used to evaluate the business. These measures comprise (i) adjusted administrative expenses, (ii) adjusted EBITDA, (iii) adjusted EBITDA margin, (iv) adjusted net income, (v) adjusted net income margin, (vi) adjusted operating profit, (vii) adjusted operating profit margin, (viii) adjusted research and development expenses, (ix) ASP of SBCs and compute modules, (x) cash conversion, (xi) unlevered free cash flow, (xii) unlevered free cash flow cash conversion, (xiii) unlevered free cash flow (post-tax), (xiv) unlevered free cash flow (post-tax) cash conversion, (xv) net working capital, (xvi) unit gross profit per SBC and compute module, (xvii) unit gross profit margin per SBC and compute module as a percentage of ASP, and (xviii) accessory gross profit per SBC and compute module (the "non-IFRS measures"). We believe these metrics are useful to help evaluate growth trends, establish budgets and assess our operational performance and efficiencies. We believe that the non-IFRS measures provide an enhanced understanding of our results and related trends and, therefore, increased transparency and clarity regarding the core results of our business. Because of the discretion that we have in defining the measures, care should be taken when comparing them with similarly named measures used by other companies. These alternative performance measures, which are defined below, have limitations as analytical tools and should not be used as a substitute for evaluating our performance based on the Historical Financial Information and results of operations.

- Adjusted administrative expenses are calculated as administrative expenses before depreciation and excluding the impact of share-based payments and significant non-recurring items.
- Adjusted EBITDA is calculated as operating profit before interest, taxes, depreciation, and amortisation and excluding the impact of share-based payment charges and significant non-recurring items.
- Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.
- Adjusted net income is calculated as adjusted EBITDA less depreciation, amortisation, loss on asset disposal and finance charges plus finance income less corporation tax.
- Adjusted net income margin is calculated as adjusted net income divided by revenue.
- Adjusted operating profit is calculated as adjusted EBITDA less depreciation, amortisation and loss on asset disposal.
- Adjusted operating profit margin is calculated as adjusted operating profit divided by revenue.
- Adjusted research and development expenses are calculated as research and development expenses excluding the impact of share-based payment charges/credits in respect of research and development staff, depreciation and amortisation of research and development assets and the Research and Development Expenditure Credit ("RDEC").
- ASP of SBCs and compute modules is calculated by applying the manufacturer's suggested retail price ("MSRP") to the number of SBCs and compute modules of each type sold and dividing by the total number of SBC and compute module units sold.

- Cash conversion is calculated as adjusted EBITDA less changes in working capital divided by adjusted EBITDA.
- Unlevered free cash flow is calculated as adjusted EBITDA less change in working capital less capital expenditure.
- Unlevered free cash flow cash conversion is calculated as unlevered free cash flow divided by adjusted EBITDA.
- Unlevered free cash flow (post-tax) is calculated as unlevered free cash flow less taxation paid.
- Unlevered free cash flow (post-tax) is calculated as unlevered free cash flow (post-tax) divided by adjusted EBITDA.
- Net working capital is calculated as inventories, prepayments, trade receivables and other receivables less accruals and deferred income, trade payables and other.
- Unit gross profit per SBC and compute module is calculated as the gross profit arising from sales and/or royalties related to all SBCs and compute modules divided by the number of units of all SBCs and compute modules sold in the period.
- Unit gross profit margin per SBC and compute module as a percentage of ASP is calculated as the unit gross profit per SBC or compute module divided by the ASP.
- Accessory gross profit per SBC and compute module is calculated as the gross profit from the sale of, or royalties from, accessories divided by the total number of SBCs and compute modules sold.

For further detail on these measures, see Part X: “*Selected Financial and Operating Information — Non-IFRS Financial Data*”.

## Operating Data

The operating data included in this Prospectus has been extracted without material adjustment from our management records and is unaudited. Such data as presented may not be comparable to similarly titled data presented by other companies in our industry. The operational data is not intended to be a substitute for any IFRS measures of performance. These measures include:

- SBC and compute module unit sales, which are calculated as the total number of SBCs and compute modules sold.
- Semiconductor unit sales, which are calculated as the total number of semiconductors sold.

For further detail on these measures, see Part X: “*Selected Financial and Operating Information — Operating Data*”.

## Currency Presentation

Unless otherwise indicated, all references in this Prospectus to “pounds sterling”, “GBP”, “£” or “pence” are to the lawful currency of the UK. All references to “U.S. dollars”, “USD” or “\$” are to the lawful currency of the United States. All references to “euro” or “EUR” are to the lawful currency of the European Union. We prepare our financial information in U.S. dollars, which is our functional and presentational currency.

## **Exchange Rates**

Unless otherwise indicated, for the purposes of this Prospectus, we use the exchange rate on 7 June 2024 (the “Reference Date”), being the latest practicable date before the date of this Prospectus, of £1 to \$1.2723.

## **Rounding**

Certain data in this Prospectus, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

## **Market, Economic and Industry Data**

Certain information regarding market size, market data, market share, market position, growth rates and other industry data pertaining to us and our business contained in this Prospectus consists of Directors’ estimates based on data compiled by professional organisations and on data from other external sources. We obtained the market data used in this Prospectus from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by third parties, including, among others, UK government statistics, Statista, Grandview Research, Market Research Future, Gartner, Deloitte, IbisWorld, Allied Market Research, Mordor Intelligence, ASDReports, MAKE Magazine, the U.S. Bureau of Labor Statistics, Atmel Corp, ITJobsWatch, Transforma Insights, Engadget and Global Market Insights, together with a report prepared by VDC Research Group, Inc. (“*Strategic Insights 2023: IoT & Embedded Technology: Track 5: Hardware & Platforms, Topic 1: IoT, Embedded & Mobile Processors*” (copyright 2023)) (the “VDC Report”).

Industry publications and market research generally state that the information they contain has been obtained from sources we believe to be reliable, but that the accuracy and completeness of such information is not guaranteed and any estimates or projections they contain are based on several significant assumptions.

In some cases, there is no readily available external information (whether from trade and business organisations and associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring us to rely on internally developed estimates. We do not intend, and do not assume any obligation, to update industry or market data set forth in this Prospectus. Because market behaviour, preferences and trends are subject to change, prospective investors should be aware that market and industry information in this Prospectus and estimates based on any data therein may not be reliable indicators of future market performance or our future results of operations or those of the Company.

Where third-party information has been used in this Prospectus, the source of such information has been identified. We confirm that all third-party information contained in this Prospectus has been accurately reproduced and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. However, while we believe the third-party information included herein to be reliable, neither we nor the Banks has, nor has any third party listed herein, independently verified such third-party information, and no such party makes any representation or warranty as to the completeness or accuracy of such information as set forth in this Prospectus.

## **Service of Process and Enforcement of Civil Liabilities**

The Company has been incorporated under the laws of England and Wales. The Directors and officers of the Company are non-residents of the United States, and a substantial portion of the assets of the Company and



such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such persons or to enforce against any of them in the U.S. courts judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States. In addition, there is doubt as to the enforceability of certain civil liabilities under U.S. federal securities laws in original actions in English courts, and, subject to certain exceptions and time limitations, English courts will treat a final and conclusive judgment of a U.S. court for a liquidated amount as a debt enforceable by fresh proceedings in the English courts.

## **No Incorporation of Website Information**

The contents of our website do not form part of this Prospectus.

## **Definitions and Glossary**

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Part XVIII: “*Definitions*”.

## **Available Information**

We have agreed that, for so long as any of the Offer Shares are in issue and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which it is neither subject to section 13 or 15(d) under the U.S. Securities Exchange Act of 1934 (the “U.S. Securities Exchange Act”), nor exempt from reporting under the U.S. Securities Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Offer Share, or to any prospective purchaser of an Offer Share designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act.

## **Information not contained in this Prospectus**

No person is or has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs or business of the Company since the date of this Prospectus or that the information contained herein is correct as at any time after the date hereof.

## **Forward-looking Statements**

This Prospectus includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on the Directors’ current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “forecasts”, “are expected to”, “will continue”, “would be”, “targets”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our



business, financial condition, results of operations, prospects, growth, strategies, the dividend policy of the Company and the industry in which we operate. In particular, the statements in Part I: “*Summary*”, Part II: “*Risk Factors*”, Part VIII: “*Business Description*” and Part XI: “*Operating and Financial Review*” regarding our strategy, targets and other expectations are forward-looking statements. In addition, statements regarding our anticipated growth, accounting, tax rates and capital expenditure, as well as other expressions of our expectations and other future events or prospects are forward-looking statements. These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that any particular future results will be achieved, and actual events or results may differ materially because of the risks and uncertainties facing us. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if our results or operations, financial condition and liquidity and the development of the industry in which we operate is consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or development in subsequent periods. Such risks and uncertainties could cause our actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause our actual results to so vary include, but are not limited to:

- supply chain and manufacturing issues, including difficulties obtaining sufficient semiconductors and other components and reliance on third party manufacturers;
- global and regional economic, social and political conditions;
- demand for our products;
- target market and industry trends;
- rapid technological changes;
- our research and development capabilities;
- issues with our distribution model;
- reputational issues or diminution in the perceived quality associated with our brand;
- the loss of our intellectual property or any claim of infringement by us on the intellectual property of others;
- new or existing legal and regulatory requirements, including anti-money laundering, modern slavery, sanctions and anti-bribery laws;
- acquisitions or divestitures we make, or other significant investments;
- failure to retain key management;
- status of operations of our computer and communication systems, including third-party systems;
- fluctuations in foreign exchange rates;
- actions of our agents and third-party partners and service providers;
- tax-related changes, including changes in tax rates, new tax laws and revised interpretations of existing tax laws;
- risks related to the Global Offer; and

- other risk factors that are set forth in Part II: “*Risk Factors*”.

Forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. We, as well as the Directors, the Selling Shareholders and the Banks, expressly disclaim any intention, obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in our or their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules of the FCA or the UK Market Abuse Regulation. All subsequent written and oral forward-looking statements attributable either to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus. All subsequent written and oral forward-looking statements attributable to either us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus. The statements above related to forward-looking statements should not be construed as a qualification of the working capital statement contained in Part XVII: “*Additional Information – Working capital*”.

**PART IV**  
**DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS**

<b>Directors</b>	<p>Martin Hellawell, Independent Non-Executive Chair</p> <p>Dr Eben Upton CBE, Chief Executive Officer</p> <p>Richard Boulton, Chief Financial Officer</p> <p>Sherry Coutu CBE, Senior Independent Non-Executive Director</p> <p>David Gammon, Independent Non-Executive Director</p> <p>Rachel Izzard, Independent Non-Executive Director</p> <p>Christopher Mairs CBE, Independent Non-Executive Director</p> <p>Daniel Labbad, Non-Executive Director</p>
<b>Company Secretary</b>	<p>Carol Copland</p>
<b>Registered office of the Company</b>	<p>194 Cambridge Science Park</p> <p>Milton Road</p> <p>Cambridge CB4 0AB</p> <p>United Kingdom</p>
<b>Joint Sponsor, Joint Global Co-ordinator and Joint Bookrunner</b>	<p>Jefferies International Limited</p> <p>100 Bishopsgate</p> <p>London, EC2N 4JL</p> <p>United Kingdom</p>
<b>Joint Sponsor, Joint Global Co-ordinator, Joint Bookrunner and REX Intermediaries Offer Co-Ordinator</b>	<p>Peel Hunt LLP</p> <p>100 Liverpool Street</p> <p>London EC2M 2AT</p> <p>United Kingdom</p>
<b>English and U.S. legal advisers to the Company</b>	<p>Linklaters LLP</p> <p>One Silk Street</p> <p>London EC2Y 8HQ</p> <p>United Kingdom</p>
<b>English and U.S. legal advisers to the Banks</b>	<p>Allen Overy Shearman Sterling LLP</p> <p>One Bishops Square</p> <p>London E1 6AD</p> <p>United Kingdom</p>
<b>Auditor</b>	<p>Grant Thornton UK LLP</p> <p>101 Cambridge Science Park</p> <p>Milton Road</p> <p>Cambridge CB4 0FY</p> <p>United Kingdom</p>
<b>Reporting Accountant</b>	<p>Grant Thornton UK LLP</p> <p>17<sup>th</sup> Floor</p> <p>103 Colmore Row</p> <p>Birmingham B3 3AG</p> <p>United Kingdom</p>

**Registrars**

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 3HH  
United Kingdom

**Selling Agent**

Equiniti Financial Services Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 3HH  
United Kingdom

**Remuneration Advisor**

Deloitte LLP  
2 New Street Square  
EC4A 3BZ  
United Kingdom

## PART V

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

#### Expected timetable of principal events

Event	Time and Date
Prospectus published / Announcement of Offer Price and notification of allocations of Offer Shares in the Global Offer .....	11 June 2024
Commencement of conditional dealings on the London Stock Exchange .....	8.00 a.m. on 11 June 2024
Admission and commencement of unconditional dealings of the Shares on the London Stock Exchange .....	8.00 a.m. on 14 June 2024
CREST accounts credited in respect of Offer Shares acquired in the Global Offer in uncertificated form.....	14 June 2024
	From 14 June 2024 and within ten Business Days
Despatch of definitive share certificates (where applicable).....	of Admission

References to times are to London times. Each of the times and dates in the above timetable is subject to change without further notice.

**It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.**

## PART VI

### GLOBAL OFFER STATISTICS

#### Global Offer statistics

Offer Price (per Offer Share).....	280 pence
Number of Offer Shares in the Global Offer <sup>(1)</sup> .....	59,288,752
<i>New Shares to be issued by the Company</i> .....	11,228,572
<i>Sale Shares to be sold by the Selling Shareholders</i> <sup>(1)</sup> .....	48,060,180
Percentage of issued Share capital being offered and sold in the Global Offer .....	30.7%
Maximum number of Over-allotment Shares subject to the Over-allotment Option .....	4,593,506
Number of Shares to be in issue following the Global Offer .....	193,415,715
Expected market capitalisation of the Company at the Offer Price .....	£541,564,002 <sup>(2)</sup>
Estimated net proceeds of the Global Offer receivable by the Company <sup>(3)</sup> .....	£23,630,002
Estimated net proceeds of the Global Offer receivable by the Selling Shareholders <sup>(1) (4)</sup> .....	£131,861,333

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Notes:

- (1) Assuming no exercise of the Over-allotment Option.
- (2) \$689,012,725.19, assuming the exchange rate on the Reference Date of £1 to 1.2723.
- (3) The estimated net proceeds receivable by the Company are stated after the deduction of estimated underwriting commissions (excluding any discretionary commissions) and other fees and expenses of the Global Offer (including VAT) payable by the Company, which are expected to be approximately £7,810,000. The Company will not receive any portion of the proceeds resulting from the sale of Sale Shares or Over-allotment Shares, if any, by the Selling Shareholders.
- (4) The estimated net proceeds receivable by the Selling Shareholders are stated after the deduction of estimated underwriting commissions (excluding any discretionary commissions) and applicable taxes payable by the Selling Shareholders in connection with the Global Offer, which are expected to be approximately £2,707,171 (assuming no exercise of the Over-allotment Option).



## **PART VII**

### **USE OF PROCEEDS**

The Company expects to receive net proceeds of £23,630,002 (or \$30,063,615) from the sale of the New Shares (excluding the payment of any discretionary commissions). The Company intends to apply the net proceeds received towards engineering capital expenditure, to develop its supply chain resilience, and for other general corporate purposes.

The Company will not receive any portion of the proceeds resulting from the sale of Sale Shares or Over-allotment Shares, if any, by the Selling Shareholders.

## PART VIII

### BUSINESS DESCRIPTION

*Investors should read this Part VIII in conjunction with the other information contained in this Prospectus, including the financial and other information appearing in Part XI: “Operating and Financial Review” and the combined historical financial information and the related notes included in Part XIII: “Historical Financial Information”. Unless otherwise stated, the financial information in this Part VIII has been extracted without material adjustment from Part XIII: “Historical Financial Information”.*

*This section includes forward-looking statements and involve risks and uncertainties. Our actual results could differ materially from those discussed in any forward-looking statements, as a result of factors discussed below and elsewhere in this Prospectus. For further information, see Part III: “Presentation of Information—Forward-looking Statements”.*

#### Overview

Raspberry Pi is a leading designer and developer of high-performance, low-cost single board computers (“SBCs”) and compute modules for industrial IoT customers and embedded uses, as well as for educators and enthusiasts, in markets worldwide. Since we began trading in 2012, we have sold over 60 million SBCs and compute modules, of which 7.4 million were sold in 2023.

We are an established, full-stack engineering organisation, with research and development capabilities (in-house or through strategic partnerships) spanning the entire value chain, from semiconductor intellectual property development, through the design of finished semiconductor and electronic products to software engineering and regulatory compliance. We maintain close working relationships with world-class technology partners, including our strategic shareholders Sony and Arm, leveraging their complementary capabilities in semiconductor intellectual property development, semiconductor and electronic product manufacturing, chip design on advanced process nodes, and radio frequency and power engineering.

Our standard product portfolio primarily comprises SBCs, compute modules, complementary accessories, and semiconductors.

- **SBCs:** We design and develop SBCs for consumers and commercial users, priced from \$4 to \$80 depending on computational performance and DRAM density. Our SBCs provide industry-standard interfaces, including USB, Ethernet, HDMI, PCI Express, Wi-Fi and Bluetooth, alongside a custom “general-purpose input/output” (“GPIO”) interface for connecting to the physical world.
- **Compute modules:** We design and develop compute modules (also known as system on modules), which consist of the core electronics of a Raspberry Pi SBC, but in a form factor that can be more easily embedded into our customers’ own product designs, priced from \$25 to \$95.
- **Accessories:** To complement our SBCs and compute modules, we design, develop and source a range of Raspberry Pi-branded accessories, including cameras, touchscreen displays, cases, keyboards, audio products, power supplies and cables.
- **Semiconductors:** Our semiconductors currently comprise the RP2040 microcontroller and the RP1 I/O controller chip, which are principally intended for use in our SBCs and compute modules. RP2040 is available for resale to third parties. We are also designing and developing a more advanced family of microcontrollers, RP235x, which we expect to launch in the second half of 2024, as well as chipsets for use in our SBCs and compute modules for release thereafter.

For the year ended 31 December 2023, revenues attributable to the sale of our SBCs, compute modules, and accessories, together with related component sales, comprised 99 per cent. of our total revenue.

We also design, develop, and procure the manufacture of custom hardware and software solutions for some of our largest OEM customers. A custom hardware product may conform to the same physical form factor as a standard product, but with alternative components to optimise it for cost or availability, or it may consolidate the functionality of a standard product and customer-specific circuitry into a single, lower-cost, product, or it may be a clean-sheet design tuned to a customer's requirements.

In addition, we develop the firmware and kernel which control the low-level operation of our products, and also a complete operating system, Raspberry Pi OS, which is based on the well-established open-source Linux distribution Debian, and provides access to an open-source platform with extensive customisations and additional applications aimed at enhancing ease of use. This is provided free-of-charge to owners of our computers.

Our products are sold to three principal markets:

- the industrial and embedded ("I&E") market, which in 2023 accounted for 72 per cent. of our SBC and compute module unit sales. The high performance, low cost, and physical robustness of Raspberry Pi products make them suitable for a wide range of embedded applications, including, among others, electric vehicle charging, elevators, escalators and moving walkways, industrial control and automation, sports performance tracking, digital signage, smart buildings, thin clients, and energy management. Embedded customers particularly value reliability, long-term availability, and access to support for design-in activities, including regulatory compliance. We support these customers by developing products that are particularly suitable for integration into end products (such as compute modules), keeping our products in production for periods of up to a decade, and providing engineering assistance, either from ourselves or via our network of Approved Design Partners;
- the enthusiast and education ("E&E") market, which in 2023 accounted for 28 per cent. of our SBC and compute module unit sales, includes customers in formal and informal education at the school and university levels, as well as makers and hobbyists. The first Raspberry Pi SBC, launched in 2012, was primarily intended for use in education but was rapidly adopted by computer and electronics enthusiasts. This remains both a significant market, and a valuable way of reaching engineers, who often take our platform with them into their professional lives. Enthusiasts value innovation, engagement and community, and rapidly adopt new iterations of our SBC products and accessories; and
- the semiconductor market, which we entered in early 2021 with the launch of our first semiconductor product, the RP2040 microcontroller, which is a key component of our Raspberry Pi Pico, and which is also used by third parties for deep embedded computing applications.

Raspberry Pi products are available in 75 countries around the world. We employ a flexible hybrid distribution model that allows us to (i) sell units through our direct distribution channel to our global network of over 100 ARs ('direct-to-AR'), and directly to more than 500 of our largest OEM customers ('direct-to-OEM') and (ii) license our designs to our Licensee, Premier Farnell, which independently arranges for the manufacture and sale of our products, and then pays a per-unit royalty to us. In 2023, we sold 82 per cent. of our SBCs and compute modules through the direct distribution channel, with the balance being sold through the licensee channel.

We also operate a publishing business, Raspberry Pi Press, which produces magazines and books, as well as the Raspberry Pi Store in Cambridge, England, where customers are able to experience and buy Raspberry Pi products, accessories, and books, and where we also hold events from time to time. From time to time, we also open temporary "pop-up" stores.

For the year ended 31 December 2023, we had revenue of \$265.8 million, gross profit of \$66.0 million, operating profit of \$37.5 million, and adjusted EBITDA of \$43.5 million.

## **Current Trading and Recent Developments**

Since 1 January 2024, we have continued to trade in line with the Directors' expectations. Following significant purchases in the last part of 2023 by customers, notably our ARs and the Licensee, 2024 has seen expected volatility in their demand, and in the case of some channel participants and the Company, this has led to higher than usual levels of inventory. The Directors expect this to normalise over the course of 2024, resulting in stronger results in the second half of the year than in the first half. Our ongoing investment in product development, driven by our growing team of experienced in-house engineers, complemented by third party consultants and the purchase of intellectual property, as well as a number of new product releases planned for the second half of 2024 and beyond, gives us confidence in our future. Guidance for 2024 and the medium term can be found in Part XI: *"Operating and Financial Review—Financial and operational targets for the year ending 31 December 2024 and the medium term"*.

In February 2024, RPL issued in aggregate 171 new shares to the non-executive directors Martin Hellawell and Rachel Izzard, and to Rockspring Nominees Limited, a company in which David Gammon, a non-executive director, has an interest. Total consideration paid for these shares amounted to \$0.8 million, based on a diluted post-money valuation, conducted in November 2023, of \$597 million.

On 24 April 2024, RPL increased its Revolving Credit Facility to \$40 million and extended its term by a further year to 24 April 2027. For further information, see Part XI: *"Operating and Financial Review—Borrowings"*.

## **Key Strengths**

We believe that we have several competitive strengths and attributes that differentiate us within each of our markets and position us to continue delivering growth.

### ***Exceptional brand awareness, with a loyal community of millions of users***

With a twelve-year history of designing and developing high-performance, low-cost SBCs and compute modules, we believe we have developed a strong reputation for value, performance, and quality, across both the I&E and E&E markets. Amongst other accolades, we were the recipient of the 2017 MacRobert Award, the UK's "premier prize for engineering innovation", presented by the Royal Academy of Engineering.

In the E&E market, we believe that our SBCs and compute modules have become the de facto standard for Linux-based embedded computing, with a passionate community following both online and offline. We actively engage with community members through our own website (50.6 million visitors in 2023), forums (378,033 members as of 1 May 2024) and social media (over 94.5k followers on Threads, over 344k followers on Instagram, over 401k followers on Facebook, over 154k subscribers on YouTube, and over 102k followers on LinkedIn, in each case as of the 1 May 2024), informing them about new hardware products, and our evolving software offering. Outside our own channels, as at the 1 May 2024 there were over 3.2 million members of the most popular Raspberry Pi subreddit on Reddit, and Google Scholar reported 203,300 academic papers containing the phrase "Raspberry Pi". Our latest SBC iteration, Raspberry Pi 5 and the enthusiast-orientated Raspberry Pi 400, had ratings of 4.7 and 4.3 stars on amazon.co.uk, respectively, as of 1 May 2024.

### ***A large I&E customer base, including over 1,300 OEMs***

The community of Raspberry Pi enthusiasts, while a significant market in its own right, has also driven Raspberry Pi adoption in the I&E space over time, as our community members, who often have careers in engineering fields, take our products with them into their professional lives. As a result, the I&E market today

accounts for most of our SBC and compute module unit sales with over 72 per cent. of the 7.4 million Raspberry Pi SBCs and compute modules sold in 2023 being sold into the I&E market. Our support offering for I&E customers includes access to application engineering support, and to our automated Product Information Portal, which allows users to browse and download documents, reports, and change notices for all Raspberry Pi products. I&E users also have access to support programmes including (i) Powered by Raspberry Pi, which provides an opportunity for OEMs to promote their use of Raspberry Pi technology in their products, (ii) the Raspberry Pi Integrator Programme, which offers support for OEMs taking their Raspberry Pi-based products through regulatory compliance, and (iii) the Approved Design Partner programme, which provides OEMs with access to hourly-rate technical assistance from verified third-party consultants.

We believe that the strength of the Raspberry Pi brand, and the close identification that our enthusiast customers feel with our brand ethos, is a competitive differentiator, and key to our historic and future success.

***An established full-stack engineering organisation, with capabilities spanning the entire value chain***

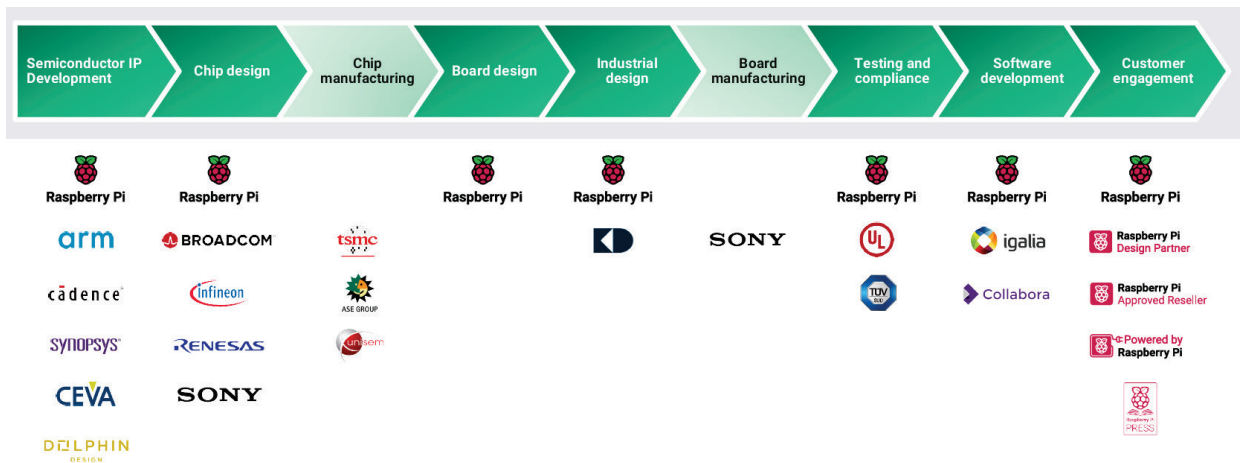
Our research and development capabilities span the entire value chain, from semiconductor intellectual property development, through the design of finished semiconductor and electronic products, to software engineering and regulatory compliance. We believe that this strategy is distinctive within our industry. We maintain close working relationships with world-class technology partners, including our shareholders Sony and Arm, leveraging their complementary capabilities in semiconductor intellectual property development, semiconductor and electronic product manufacturing, chip design on advanced process nodes, and RF and power engineering.

We develop synthesisable semiconductor intellectual property, which is currently used in RP2040 and RP1. In addition to using this intellectual property in our own semiconductor devices, on occasion we license it to our suppliers, to enhance the functionality of the devices they sell to us. For example, our current flagship product, Raspberry Pi 5, uses a Broadcom BCM2712 application processor, which contains Raspberry Pi video decoder and image processing intellectual property.

We develop finished semiconductor devices. Raspberry Pi Pico is built around our own microcontroller, RP2040, which was introduced in 2021, and Raspberry Pi 5 incorporates our RP1 I/O controller chip, which was introduced in 2023. RP2040 is a microcontroller integrating two Arm Cortex-M0+ CPUs with on-chip memory and a variety of peripheral hardware. The RP1 I/O controller chip combines the outward-facing analogue interfaces required to build a Raspberry Pi SBC or compute module, and their respective digital controllers, into a single die, implemented on TSMC's 40LP process. In addition to using these semiconductor devices in our own electronic products, we also sell RP2040 to third parties.

We develop the electronic design for all core Raspberry Pi products, and for many accessories. We also design the plastic cases and packaging for our products. We write the firmware and Linux kernel drivers which control their low-level operation, and maintain a complete integrated software platform.

The following graphic sets out the value chain for our products.



At each level of the value chain except for silicon and electronic product manufacturing, we can choose between in-house and collaborative development on a case-by-case basis. As shown in the graphic above, we work with world-class partners at every level in the value chain, save for the design of SBCs and compute modules, which is exclusively carried out in-house. Where we choose collaborative development, we remain closely involved in the specification of the product and claim many of the full-stack optimisation benefits that we would obtain from an in-house design.

Our vertically integrated approach allows us to increase the performance of our products, while reducing costs and managing supply chain risk: we can design components within the value chain to work more efficiently together; we can strike better deals with suppliers knowing that we have a credible option to replace them with an in-house alternative; and by replacing third-party components with first-party ones, or by partnering with other vendors to create potential substitutes, we reduce our reliance on any one supplier. This last point is particularly advantageous when we face supply chain constraints, as was the case with respect to semiconductors between 2021 and 2023. As an example, our collaboration with Lego Education on the Build HAT project originally relied on a microcontroller from ST Microelectronics. When we were unable to source this part on an acceptable lead time, we migrated the project to our own RP2040 microcontroller, allowing us to maintain our launch schedule. For more information regarding supply chain and semiconductor risks, see Part II: “Risk Factors—Risks related to our supply chain and product manufacturing—Supply chain issues, including a shortage of adequate component supply, may increase our costs, and cause delays in our ability to fulfil orders”.

### ***High-performance, low-cost products providing superior functionality for a diverse range of applications***

We believe that our end-to-end model is a key factor in our ability to deliver high-performance and low-cost products that are sought out by our customers, reinforcing our competitive position.

Compared to our competitors, our products benefit from a superior performance to cost ratio, long-term availability, and stable and long-term software support. These benefits are underpinned by unique, feature-rich and non-cloneable silicon (such as RP1) that is unavailable to the broader market; by our various design support programs; and by a large and growing community of professional design engineers who are familiar with our platforms and promote the Raspberry Pi value proposition. Our compute modules offer a broad range of compute capability, memory density and connectivity options, with all variants supported by our integrated software platform. Our microcontroller, RP2040, features our unique programmable I/O subsystem and high-

performance bus fabric, and, with production agreed through 2041, offers the longest guaranteed availability window of any Raspberry Pi product.

***An integrated software platform that enhances the value of our hardware and enables strong network effects***

Raspberry Pi hardware products are supported by extensive collateral, in the form of software and documentation. Our integrated software platform comprises closed-source device firmware; a Linux kernel customised to run on our products; and Raspberry Pi OS, a mostly open-source but highly customised operating system derived from the popular Debian distribution.

We continue to support the earliest Raspberry Pi products, dating from 2012, with free software updates. We can do this at minimal incremental cost because of our focus on evolutionary, rather than revolutionary, upgrades to our hardware platform; this enables us to support all generations of Raspberry Pi hardware with a common firmware, kernel and operating system codebase, and a single software engineering team. Our track record of long-term support, and of working with users to address bug reports and feature requests, has built trust among our OEM customer base, a strong community, and a rich ecosystem of third-party software, documentation and other collateral.

Our goal is to be the preferred choice for OEMs seeking a compliant base platform for IoT development. In support of this aim, we augment our platform with software solutions to common IoT challenges including security, manageability and maintainability, leveraging security features present in the underlying hardware.

These challenges have become more pressing as regulatory requirements have increased and are becoming key factors in platform selection decisions for many of our OEM customers.

Many recent products developed by our OEM customers leverage developments in artificial intelligence and machine learning techniques and technologies. From our RP2040 microcontroller, which can perform hundreds of millions of operations per second, to Raspberry Pi 4 and 5, which can perform tens to hundreds of billions of operations per second, our platforms natively support the numerous artificial intelligence and machine learning workloads which rely on small, sparse, or quantised models, or which run intermittently. For applications that do not fit within our native performance envelope, we work with hardware accelerator partners including Google, Sony and Hailo, and aspire to be the embedded host of choice for their accelerators.

***Flexible hybrid distribution channel model***

We employ a flexible hybrid distribution channel model through which we (i) arrange for the manufacture of our products and sell them to our global network of over 100 ARs, and over 500 of our largest OEMs, and (ii) license our designs to our Licensee, which itself arranges for the manufacture and sale of our products, and then pays a per-unit royalty to us. This hybrid model allows us to manage our unit gross profit and working capital requirements on a per-product basis to meet our overall profit and working capital goals on a portfolio basis.

***Direct distribution channel***

In the direct distribution channel, our network of over 100 ARs provides a robust, distributed, order-taking and logistics capability. Ranging from global corporations (Mouser, DigiKey) to smaller but established companies (Silverline Electronics in India, CanaKit in Canada, Cytron in Malaysia), to start-ups which have grown up around the Raspberry Pi platform (Pimoroni in the UK, pi3g in Germany), this network provides us with access to a vast global customer base covering 75 countries. We seek to have a minimum of two ARs in each principal market, which maintains competitive tension and ensures that direct-to-AR sales remain an effective distribution method in all markets.

We also sell directly to over 500 OEMs. While this route to market requires greater investment in customer management, it can be rewarded with up to three times the unit gross profit compared with the royalties which



would otherwise be earned through the licensee channel. We also benefit from closer interaction with OEMs served via this route, which allows us to learn more about these customers' needs, and to cross-sell other products and services, including custom products. It also gives us more flexibility to set price points outside of the standard range, as well as better visibility and more precise control of the supply chain.

We may “buy” OEM customers from our smaller ARs, serving them directly while offering the AR time-limited participation in the margin upside. This approach yields long-term improvement in gross profit, while incentivising ARs to find and develop new OEM customers.

### *Licensee channel*

Our Licensee is a blue-chip global high-service electronic component distributor. In addition to reducing our working capital requirements (as they fund their own production), they offer us access to their global business-to-business and business-to-consumer sales and logistics services and their large, established customer base.

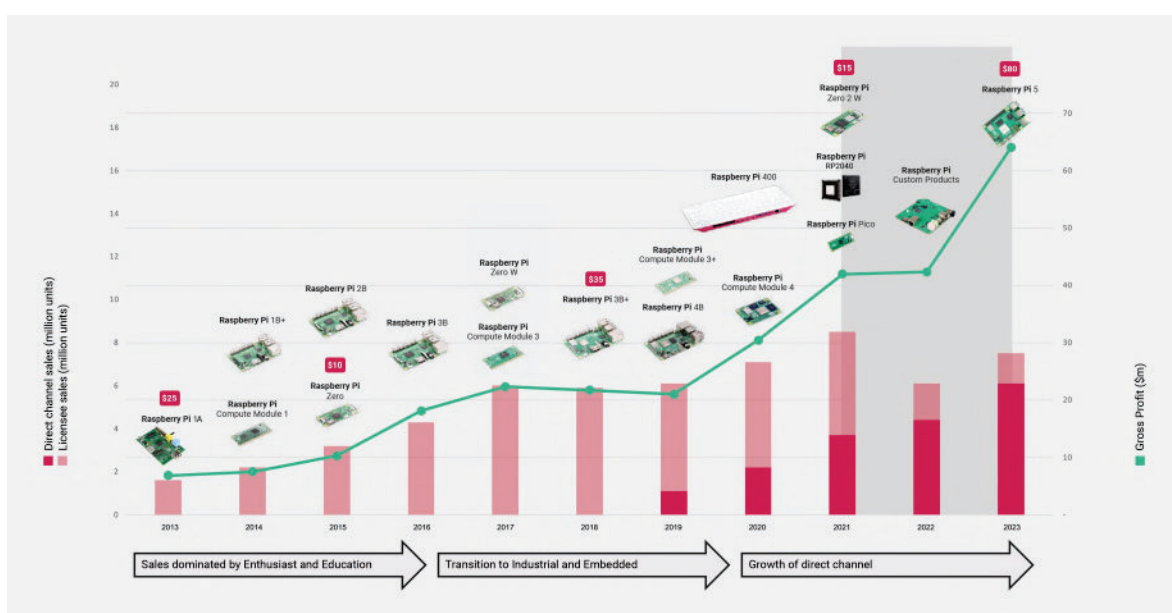
Both the direct distribution channel and the licensee channel provide our customers with access to our products, at a maximum retail price which we set, in the locations from which they already buy electronic products. In 2023, 82 per cent. of our SBC and compute module sales were via the direct distribution channel, with the balance via the licensee channel. We expect the direct distribution channel to comprise approximately 70 per cent. to 80 per cent. of our SBC and compute module unit sales in the near- to medium-term.

### ***Decade-long track record of revenue growth, profitability, and cash generation at scale***

Our community-led approach to marketing, flexible hybrid distribution model, and prudent attitude to engineering investment have contributed to our strong financial track record, helping us to deliver sustained profitability and cash generation since our inception.

In the years ended 31 December 2021, 2022 and 2023, our revenue was \$140.6 million, \$187.9 million and \$265.8 million, respectively, our gross profit was \$41.9 million, \$42.3 million and \$66.0 million, respectively, and our adjusted EBITDA was \$25.7 million, \$26.4 million and \$43.5 million, respectively.

The following figure illustrates the number of SBCs and compute modules sold, the proportion of our sales through the direct distribution channel and licensee channel, and our gross profits, in each year since 2013.



Unlike many other technology start-ups, which deploy significant marketing spend to drive sales growth, we have always employed a community-led approach to marketing. By leveraging social media, attending enthusiast-focused events, and promoting the use of Raspberry Pi products in exciting and interesting applications, such as on the International Space Station, we have been able to grow our customer base at comparatively low cost.

Our hybrid distribution model has allowed us to balance working capital requirements against unit economics on a product-by-product basis. The direct distribution channel generates higher unit gross profit, and allows us to build closer relationships with our end customers, but requires us to fund inventory and receivables. Conversely, our partnership with our Licensee delivers a more intermediated customer relationship, and a smaller unit gross profit in the form of a royalty, but keeps working capital requirements to a minimum.

Our prudent and focused approach to engineering investment, making limited use of external research and development resources, has allowed us to control fixed costs without sacrificing growth or innovation. Most development is performed in-house by a relatively small team of highly capable engineers. Where we use external resources, we require suppliers to commit nominated individuals to our projects for long periods, allowing us to build relationships and ensure cultural alignment.

### ***Strong ESG credentials***

The Raspberry Pi Foundation was established in Cambridge in 2008 with the goal of promoting interest in computer science among young people. The Foundation aims to widen access to computing through the availability of low-cost computers and the development of learning experiences and products that inspire and engage young people. Since our inception in 2012, we have distributed approximately \$50 million to the Foundation to fund its charitable work.

Today, the Foundation is a leader in the development of curriculum, resources, and teacher professional development for computer science in schools. It was a leading partner in the consortium delivering the first iteration of the National Centre for Computing Education in England, which is backed by the UK government to train computer science teachers in every state school, and over 35,000 educators globally have engaged with the Foundation's online teacher training courses. The Foundation also runs two world-wide networks of free computing clubs for young people, Code Club and CoderDojo, organises a range of competitions, and works with youth and community organisations to broaden access to digital skills. To date, more than 2 million young people have participated in one of the Foundation's free coding clubs. The Foundation has a global reach with teams on the ground in the UK, Ireland, the United States, and India, and it partners with non-profit organisations in over 50 countries. The Foundation's strategy is to expand its reach and impact in low- and middle-income countries, with a particular focus on India and Sub-Saharan Africa.

As the next generation of children learn about computing, many will be following Raspberry Pi-branded curriculum material in their school classrooms, presented by teachers trained by Raspberry Pi, with approximately 3.4 million curriculum resources downloaded between 2020 and 2023. These students and teachers are frequently using Raspberry Pi software on Raspberry Pi hardware both in school and in Raspberry Pi-organised after-school activities.

With effect from Admission, we will be party to the Foundation Relationship Agreement with, among others, the Foundation (as described in paragraph 14.2 of Part XVII: "*Additional Information—Material contracts—Relationship Agreements*") to ensure that we operate independently of the Foundation. We intend to continue to maintain a close working relationship with the Foundation, subject to the terms of the Foundation Relationship Agreement. We have also entered into a "low-cost computing commitment" with the Foundation, pursuant to which we have agreed to make available a designated model of Raspberry Pi computer at a low cost (currently the 2GB variant of Raspberry Pi 4, at \$45) to support the Foundation's educational mission to expand access to computing and computer science. Providing a low-cost product is commercially viable for us due to

our control of the engineering process, and the resulting product will remain an important entry point for new customers into the Raspberry Pi ecosystem.

We expect that following Admission, we will receive the London Stock Exchange's Green Economy Mark. The Green Economy Mark identifies companies and funds that derive 50 per cent. or more of revenues or 100 per cent. of business activity, if pre-revenue, from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues Classification System, developed by FTSE Russell.

Furthermore, our Raspberry Pi SBCs and compute modules are also more efficient to manufacture and consume less energy than legacy desktop and embedded PCs, using over 90 per cent. less wastewater during printed circuit board ("PCB") manufacture, up to 98 per cent. less shipping volume, at least 85 per cent. less electrical power during normal operation and at least 70 per cent. less power at idle compared to a typical laptop or desktop PC.

We believe that our operations and philosophy help work towards five of the United Nation's Sustainable Development Goals: quality education; decent work and economic growth; industry, innovation and infrastructure; sustainable cities and communities; and responsible consumption and production.

Our "computing for everybody" philosophy was central to our establishment and continues to be at the heart of our ESG story moving forward. Our continued commitment to provide access to low-cost computing is fundamental to the Raspberry Pi ethos and will continue to underpin our ESG credentials.

### ***Seasoned, founder-led team with deep industry expertise***

We boast an exceptional and highly-educated management team with over 150 years of collective experience. This enables us to foster an innovative and passionate culture within the business, which is evident in our success.

We are led by CEO Dr Eben Upton CBE, who founded the Foundation in 2008 and has over 25 years' experience in the technology industry. Eben co-founded and was previously the CTO of games developer Ideaworks3D, before moving on to become a Technical Director and Distinguished Engineer at semiconductor manufacturer Broadcom. Eben is supported by Richard Boulton, CFO, who has over 35 years of experience. Richard has held various senior financial roles with Time Out Group and BCA Marketplace at the time of their planned stock market listings, as well as with Ferguson and Fox. He trained as a Chartered Accountant with PwC.

We have a high quality non-executive team with significant public market expertise. Martin Hellawell, who chairs the Board, is the former chair and CEO of Softcat plc as well as chair of Gamma Communications Plc and musicMagpie plc, and was senior independent director at Team 17 plc. Non-executive directors Sherry Couto CBE (non-executive director of Pearson plc, former senior independent director at RM plc and chair of Interactive Investor International plc), David Gammon (former chair and non-executive director of Frontier Developments plc), Rachel Izzard (chief financial officer of the Co-Op), Christopher Mairs CBE (co-founder and former chief technology officer of Metaswitch Networks) and Daniel Labbad (chief executive officer of The Crown Estate) make up our highly experienced board, which has provided ongoing leadership and governance.

We have built a strong engineering team with deep experience and a wide range of capabilities. Since our inception, we have retained nearly 100 per cent. of the engineering talent that we have hired.

## **Strategy**

Our growth strategy is underpinned by three key levers: growing unit sales, growing unit gross profit, and growing unit gross profit participation.

### ***Grow unit sales***

We sell into large and growing markets and will seek to grow unit sales by (i) enhancing the performance and feature sets of our products, (ii) investing in our in-house sales function, and (iii) building out our I&E channel.

We estimate that our total addressable market across the I&E and E&E markets in 2023 was approximately \$21.2 billion. In general, I&E customers value price/performance, reliability, long-term availability, and long-term support, while E&E customers value innovation, in the form of frequent product releases and the addition of new capabilities, as well as engagement and community. We are pursuing strategies that support the growth of our unit sales in both markets.

The I&E market had an addressable size of \$16.3 billion in 2023, comprising the \$11.6 billion SBC market (which is expected to grow at a CAGR of 10 per cent. between 2024 and 2027) and the \$3.1 billion compute module market (which is expected to grow at a CAGR of 12 per cent. between 2024 and 2027) (source: VDC Report). As our products have high performance, sell at a low price, are physically robust, available, and supported over a long period of time, they are well suited to a wide range of I&E applications, including sensing, signage, edge computing and IoT gateways. The I&E market now accounts for the significant majority of our SBC and compute module unit sales, and we believe that our I&E presence will continue to grow both in absolute terms and as a proportion of our overall business.

To service our I&E customers, we will continue to focus on product quality and reliability, working with our key manufacturing partner, Sony, to implement improved production test procedures. We will actively seek opportunities to add optional features which we know to be of interest to our current or potential customers, such as support for broader operating temperature ranges. Long-term ex-stock availability and support are important elements of our brand ethos, and we will continue to make the necessary investments in component and finished-goods inventory and software engineering required to support them.

In 2021, the E&E total addressable market size was estimated to be \$4.9 billion<sup>1</sup>. This market is comprised of the relevant portions of the \$29.0 billion global maker market and the \$6.8 billion global STEM kit market. The E&E market is the “heart” of the Raspberry Pi movement. Its customers use our products to add intelligence to their personal passion projects, as low-cost auxiliary PCs or as primary PCs in cost-sensitive environments. Our presence in this market provides us with direct exposure to the electronic design engineers who take our product into their professional lives, and to the educators who introduce the next generation of users to our products.

To service our E&E customers, we aim to release new iterations of our core technology platform every three to four years, develop form-factor derivatives (of which Raspberry Pi 400 is one example) which better serve subsets of our customer base, and expand our range of first-party accessories, including cameras, displays, USB peripherals and HATs. These activities directly drive sales, as E&E customers will frequently upgrade to the latest product when it becomes available and indirectly drive sales by increasing the level of excitement around the platform, which in turn leads to greater awareness among potential customers.

Across both the I&E and E&E markets, there is scope for further geographic expansion. Our largest markets are the United States, China, Germany, the UK, and India, with sales of SBCs and compute modules in these markets of 1.6 million, 1.1 million, 0.8 million, 0.5 million, and 0.3 million, respectively, in 2023. We intend to seek to further grow these markets, and to focus on China (where sales decreased from 1.6 million SBCs and compute modules in 2021 to 0.8 million in 2022, before growing to 1.1 million in 2023) and India (where sales have grown from 208,000 SBCs and compute modules in 2021 to 216,000 in 2022 to 235,000 in 2023) in particular, via differentiated programs tailored to each market. This will involve a limited expansion of our AR

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<sup>1</sup> Source: “DIY by the numbers: Why the maker movement is here to stay”. <https://atmelcorporation.wordpress.com/tag/maker-movement-statistics/>, as of 2021; “Maker Market Study: An in-depth profile of makers at the forefront of hardware innovation” <https://cdn.makezine.com/make/bootstrap/img/etc/Maker-Market-Study.pdf>, as of 2021

and Approved Design Partner programmes to ensure that our channel partners in each market provide sufficient stocking capacity, fulfilment and logistics capability, and sales, market development, and technical support expertise.

We also intend to continue to roll out the AR programme in sub-Saharan Africa, the Middle East and South America, and aim to address markets where we have no local representation (notably Central Asia) in the longer term. In low- and middle-income countries with a growing middle class, we believe that the low-cost computing products that we offer, together with our educational heritage, provide us with a significant growth opportunity.

We intend to make targeted additional investments in our internal sales capacity, aimed at taking products into a broader range of formal education settings and further penetrating the design consultancy sector. We will build out our account management team, increasing the number of actively managed accounts and allowing us to pursue large-volume OEM opportunities, and seek to capitalise on the sales resources of our Licensee and our AR network.

### ***Grow unit gross profit***

In the near- to medium-term, we will seek to grow our unit gross profit principally by introducing product variants which better serve our customers' needs, and can therefore be offered at higher ASPs. In the medium term, we intend to make increasing use of our own semiconductors in our platforms, improving their functionality, and internalising margin which would otherwise go to third-party vendors.

ASPs for our SBCs and compute modules have been trending higher as we have extended upward the range of compute capability, memory density and connectivity options. ASPs for SBCs and compute modules increased from 2021 to 2022 by 1 per cent. and from 2022 to 2023 by 7 per cent. We intend to further increase our ASPs by introducing larger memory densities, security features, broader operating temperature ranges, and SBCs with on-board non-volatile storage. We will also seek to grow accessory gross profit per SBC and compute module by designing, developing, and/or sourcing further compelling accessories.

Semiconductors are a key component of our core products, and bringing the design of semiconductor intellectual property blocks and complete semiconductor devices in-house is a key strategic priority. In January 2021, we launched our first semiconductor, RP2040, alongside the Raspberry Pi Pico, an SBC built around it. In September 2023, we launched Raspberry Pi 5, our first flagship product to incorporate our own silicon, in the form of the RPI I/O controller chip.

Bringing parts of our chipset in-house offers several compelling advantages:

- *Tuned feature sets.* First-party silicon can be designed to have the precise features Raspberry Pi products require, and to interoperate perfectly with other elements of the chipset;
- *Unit cost structure.* Moving to first-party silicon allows us to internalise margin, at the cost of up-front engineering investment;
- *Component availability.* Disintermediating suppliers reduces capacity / supply risk;
- *Protection against cloning.* Supplier agreements may contain exclusivity provisions intended to prevent cloning, but using our own silicon precludes it altogether; and
- *Foundry volume.* Increasing use of first-party silicon will increase throughput, potentially allowing a move to a direct relationship with TSMC which will in turn improve the economics of our semiconductor business.

We intend to bring further elements of our product chipsets in-house during the medium-term. This will require an increase in capital expenditure but will ultimately reduce unit costs and result in increased unit gross profit.

### ***Grow unit gross profit participation***

We intend to grow our unit gross profit participation by (i) maintaining our focus on the direct distribution channel, (ii) transitioning towards more direct-to-OEM sales and (iii) expanding our custom products business.

A key component of our flexible hybrid business model is that we can transfer product sales between our licensee and direct distribution channels as business dictates. As a sale via our direct distribution channel results in the highest unit gross profit for us, we seek to sell between 70 per cent. and 80 per cent. of our units directly to ARs and OEMs. Sales through our direct distribution channel rose by 154 per cent. to \$212 million in 2023 from \$84 million in 2021, while royalties from our licensee channel fell by 67 per cent. to \$9 million from \$27 million over the same period. This shift had a net positive effect on our total gross profit, which increased by 57 per cent. to \$66 million in 2023, from \$42 million in 2021, despite a decline in aggregate unit volumes driven by ongoing component shortages through the first quarter of 2023.

While there is limited scope to move additional volume from the licensee channel to the direct channel, we believe that further gross profit improvement will result from serving OEMs directly rather than via ARs. Rather than risk disrupting our channel by forcibly disintermediating our ARs, we will instead seek to “buy” selected OEM customers from our smaller ARs, serving them directly while offering the AR time-limited participation in the gross profit upside.

We will also seek to grow our direct-to-OEM customer base, and thus our unit gross profit participation, by building our custom products business. We will proactively leverage our existing direct-to-OEM standard product customer base to source additional customisation opportunities. Custom products allow us to both increase our unit gross profit and reduce our customer’s unit cost, retaining direct-to-OEM customers by increasing the volume threshold at which it is economically optimal for the customer to transition from “buy” to “make”.

### ***Next generation platform development***

To retain our leadership position in our markets, and secure future growth, we must continue to develop next-generation technology platforms that embody our brand values of performance, price, quality, and ease of use.

We intend to produce new iterations of our core hardware platform every three to four years, and to derive form-factor derivatives from each platform which serve the I&E and E&E markets. Through our strong relationships with partners such as Sony, Arm, and TSMC, we will seek to access techniques and technologies which will help these hardware platforms to stay at the leading edge of technological development, with a particular focus on semiconductor device development on advanced process nodes.

Raspberry Pi hardware products are supported by extensive collateral, in the form of software and documentation. This collateral is a key component of our moat against “workalike” hardware products offered by our competitors. These workalike products are built using different silicon devices from Raspberry Pi, and do not in general benefit from our investments in software and documentation, resulting in a poorer customer experience.

Accordingly, we will continue to make substantial investments in the software that run on our hardware, deepening this moat over time. These investments are generally made at the lower levels of the software stack: on Linux-based devices, we invest in the firmware and kernel, which mediate access to the hardware, and in selected low-level middleware components of the operating system (Raspberry Pi OS); and on microcontroller devices, we invest in the software development kit (the Pico SDK) which provides a lightweight hardware abstraction and other low-level facilities. Except for investments in optimising the Chromium and Firefox web browsers, we do not generally invest at the application level, relying instead on third parties, notably the open-source community. The goal in making these low-level investments is to ensure that every dollar spent benefits

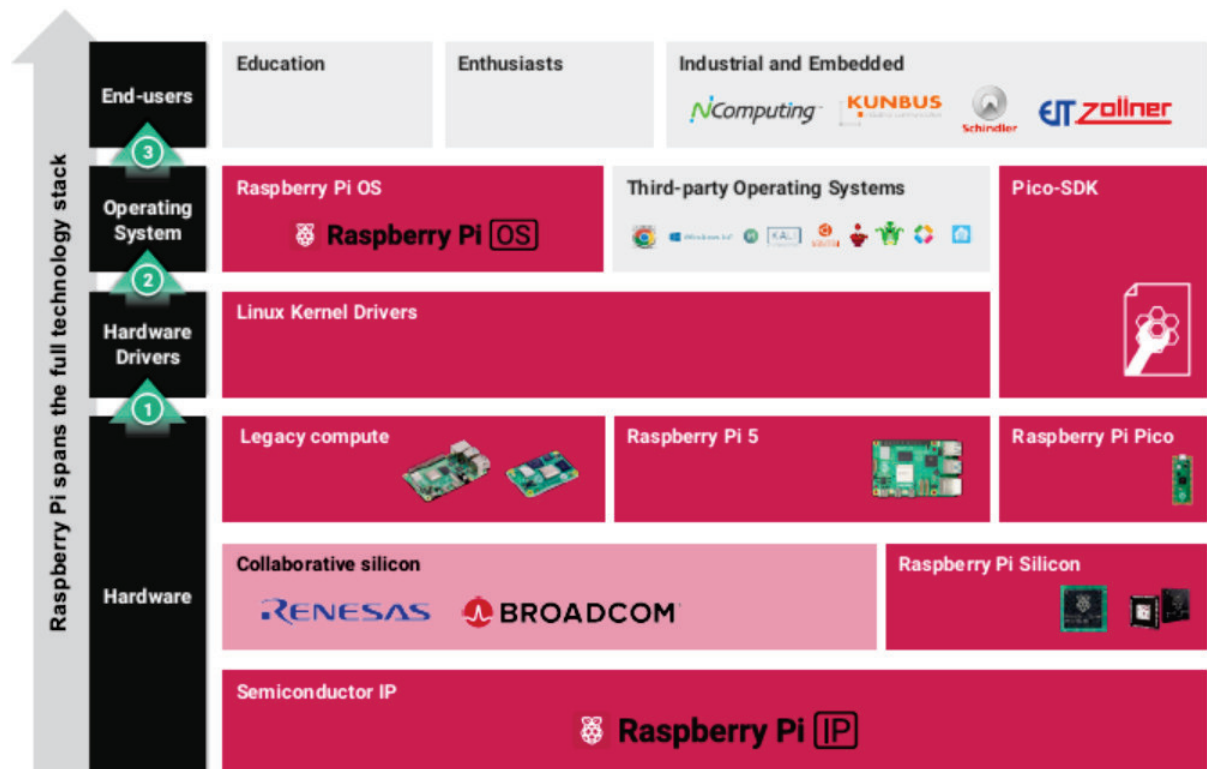


the broadest range of applications and users and, because these low-level investments are generally hardware-specific, to ensure that our investments differentially advantage our own products over workalikes.

In recent years, we have increased our investment in elements of the operating system which are primarily of use to our OEM customers. For example, we have introduced a “Lite” variant of Raspberry Pi OS, which is optimised for headless (without a display device) operation, and from which many of our customers derive their own operating system images.

We will continue to make these investments, with a particular focus on simplifying our OEM customers’ efforts to comply with recent regulation concerning the security of network-connected IoT devices.

The following graphic illustrates our technology stack:



### *Prioritise the acquisition of engineering talent*

Our talent acquisition strategy underpins both our current leadership position and our future growth aspirations. Most hires into the engineering team fall into one of three groups:

- individuals known to the management team or to senior members of the engineering team;
- members of the Raspberry Pi community who have demonstrated high levels of engineering aptitude in their contributions to open-source elements of our software stack; and
- alumni of our summer internship programme.

This strategy has created an engineering team with deep experience and a broad spread of capabilities. By offering stimulating work and a low-frustration environment, we can retain talent in the organisation. Our employee attrition rate is extremely low, having retained nearly 100 per cent. of our engineering talent since inception and having lost only five employees in total in the past ten years of operation.



Our organisational structure is intentionally flat, with only one level of management below the engineering-focused members of the senior management team. Cross-functional, mission-oriented teams are assembled to deliver specific products. We put our engineers at the forefront of innovation: delivering the next model in our core SBC product line involves contributions from almost every engineer in the company.

We believe that our current talent acquisition strategy will sustain the growth of the engineering team through to a multiple of its current size, which supports the scale ambitions of the business in the future.

## History

The Raspberry Pi Foundation was founded as a UK-based charity in 2008 with the goal of promoting interest among young people in computer science. Alongside this broad objective was the narrower goal of increasing the pool of high-quality applicants to the corresponding courses at the University of Cambridge.

We developed various prototypes between 2008 and 2012, and the first Raspberry Pi SBC, the Raspberry Pi 1 Model B, was launched in 2012. It saw immediate interest, with tens of thousands of units sold on the first day, driven by excitement in the enthusiast community.

RPL (then trading as Raspberry Pi (Trading) Limited) was incorporated as a wholly owned subsidiary of the Foundation in December 2012 to assume the commercial activities of the Foundation (although ownership of the Raspberry Pi Trade Marks continued to reside with the Foundation until it was transferred to RPL in 2021).

Following the incorporation of RPL, we made substantial investments to improve our software stack, worked in collaboration with our supplier Broadcom to develop new silicon devices that incorporated progressively more capable Arm central processing unit (“CPU”) cores, and launched new products based on those silicon devices. We designed and developed a variety of complementary accessory hardware products, initially focusing on products such as cameras and touchscreen displays, where our detailed understanding of the workings of the Broadcom silicon devices allowed us to build differentiated offerings, and on products which supported the Foundation’s educational mission.

Early success in the E&E market led to rapid uptake of Raspberry Pi products in the I&E electronics space, as many of our E&E customers were engineers who adopted our platform in their professional lives. The low cost, robustness and programmability that make our products suitable for use in education are also features that are prized in industrial contexts. To better support our new I&E customers, in 2014 we rationalised the form factor of our product to incorporate additional interfacing capabilities, and launched the first member of our line of compute module products, which repackage the core functionality of a Raspberry Pi SBC into a small-form-factor board which can be easily integrated into space-constrained third-party products. Over time, the I&E market has come to account for a significant majority of our SBC and compute module unit sales and accounted for 72 per cent. of our unit sales in 2023 (with E&E accounting for the balance).

In 2015, we launched our first direct distribution products, which were built for us by Sony and sold by us directly to resellers (rather than only sold via our then-licensees, Premier Farnell and RS Components, as had previously been the case). In the same year, we also launched Raspberry Pi Press, which produces Raspberry Pi-related books and magazines for enthusiasts.

Starting in 2015, we began to design and develop proprietary semiconductor intellectual property and devices, which led to the launch of our first semiconductor product, the RP2040 microcontroller, in 2021, and the RP1 I/O controller chip in 2023.

In 2019, we opened our first retail store, in Cambridge.

In August 2021, the Foundation transferred all of its right, title and interest in and to the Raspberry Pi Trade Marks to RPL, subject to certain terms and conditions under the Trade Mark Licence. For further details on the

Trade Mark Licence, see Part XVII: “*Additional Information—Material contracts—Trade Mark Assignment and Licence*”.

In September 2021, Ezra and Lansdowne invested \$45 million to acquire interests of 3.6 per cent. and 4.5 per cent. in RPL’s then-existing share capital, at an implied diluted post-money valuation of \$545 million. We used the funds for product development, commercialisation strategies and general working capital, and in particular to fund our transition towards the direct distribution channel.

In 2022, as we no longer required their services, we exercised our right to terminate our contract with RS Components as a licensee, leaving Premier Farnell as our sole licensee.

In March 2023, Sony acquired a 1.7 per cent. interest in RPL’s then-existing share capital for cash consideration of \$10 million. In October 2023, Arm acquired a 3.4 per cent. interest in RPL’s then-existing share capital for cash consideration of \$20 million. Both transactions were at the same price per share as Ezra’s and Lansdowne’s investments in September 2021.

In February 2024, RPL issued an aggregate of 171 new shares to the non-executive directors, Martin Hellawell and Rachel Izzard and to Rockspring Nominees Limited, a company in which David Gammon, a non-executive director, has an interest. Total consideration paid for these shares amounted to \$0.8 million, based on a diluted post-money valuation, conducted in November 2023, of \$597 million.

## **Our Markets**

We support all stages of the Raspberry Pi customer cycle, from usage by individual students and enthusiasts, through industrial prototyping, to industrial production at scale, with an estimated total addressable market for I&E and E&E of approximately \$21.2 billion<sup>2</sup>. Today, we operate in three distinct markets: I&E, E&E and semiconductors.

### ***Industrial and Embedded (I&E)***

Raspberry Pi products are characterised by high performance, low unit cost, physical robustness and reliability, making them suitable for a wide range of I&E applications. Digital signage is a notable early example which has remained a staple.

Our I&E customers, who comprise manufacturers, operators of other industrial facilities, and OEMs who incorporate our SBCs, compute modules and custom products into their products, account for the significant majority of our SBC and compute module unit sales, and all of our custom product sales. They are typically technically capable but may require specialist engineering support to help them deploy our technology safely and legally at scale. To service them, we offer longer guaranteed availability windows, and a variety of regulatory compliance and promotional programmes, including the ‘Powered by Raspberry Pi’ logo, the ‘Raspberry Pi Integrator Programme’, and our network of Approved Design Partners. For further details, see “—*Marketing and Distribution*”.

Two long-term trends have driven the growth of the I&E market, and our opportunity in the market, since 2012:

- **Industrial IoT.** While IoT – the deployment of intelligent, connected computing devices – first gained prominence in the consumer space, much progress has been made in the industrial space, and there is strong growth in new IoT devices installed each year. The number of active IoT connections grew to 16.0 billion in 2023, and this is expected to continue to grow to 32.2 billion by 2030, reflecting a CAGR

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<sup>2</sup> I&E market size of \$16.3 billion in 2023 (source: VDC Report); E&E market size of \$4.9 billion in 2021 (source: “DIY by the numbers: Why the maker movement is here to stay”. <https://atmelcorporation.wordpress.com/tag/maker-movement-statistics/>; and “Maker Market Study: An in-depth profile of makers at the forefront of hardware innovation” <https://cdn.makezine.com/make/bootstrap/img/etc/Maker-Market-Study.pdf>)

of 11 per cent. between 2023 and 2030 (source: Transforma Insights). Drivers of this growth include the proliferation of low-cost edge devices such as Raspberry Pi, reductions in the cost of communication and data storage, and the development of artificial intelligence and machine learning techniques which enable better data analysis and distributed decision making. Substantial productivity gains are available from adding monitoring and control overlays to existing I&E processes, and from designing new processes with IoT capabilities in mind. These gains justify the deployment of feature-rich devices like our flagship SBCs at the edge of the network and as gateway devices, while our lower-cost SBC, compute module and semiconductor products open up opportunities for even wider deployment.

- **AI-enabled edge computing.** Even as computing and storage has migrated to the cloud, security and privacy concerns and the cost and poor reliability of data backhaul in mobile environments have driven a growing appreciation of the utility of high-performance computing at the edge of the network. Raw sensor data can be processed into a more compact, and potentially aggregated and anonymised form, before being sent to a network. With AI and machine learning operations moving to the edge and even providing offline capability, systems can respond intelligently and autonomously in the absence of network connectivity. There is a long tail of AI applications that can run on our non-accelerated CPU-centric inference platforms, including AI image processing for manufacturing, AI-assisted security cameras, AI-assisted robotics, occupancy sensing, smart home assistants with voice recognition, and many other audio applications. More resource-intensive applications can be supported by embedded accelerator hardware from several vendors, including Sony, Google, and Hailo.

Our SBCs, compute modules, and custom products bring high-performance computing to the edge of a network, enabling applications to be partitioned to deliver lower latency data processing, while reducing expenditure on network infrastructure and cloud computing.

In 2023, the I&E total addressable market size was estimated to be \$16.3 billion by the VDC Report, comprised of a \$11.6 billion market for SBCs (expected to grow to \$17.0 billion by 2027, reflecting a CAGR of 10 per cent.), and a \$3.1 billion market for compute modules (expected to grow to \$4.9 billion by 2027, reflecting a CAGR of 12 per cent.).

### ***Enthusiast and Education (E&E)***

Our first SBC product was initially aimed primarily at the E&E market. While the I&E market now accounts for the significant majority of our SBC and compute module unit sales and expected growth, the E&E market remains the “heart” of the Raspberry Pi movement. E&E customers, who principally comprise students, educators, makers, hobbyists and enthusiasts, use our products to add intelligence to their personal passion projects, as low-cost auxiliary PCs, or as primary PCs in cost-sensitive environments.

Our presence in the E&E market provides us with direct exposure to design engineers, who may take our product into their professional lives, and to the educators who then often introduce the next generation to our products. We rely upon these relationships for outbound communication about new products and for inbound communication about gaps in our offering.

The E&E market continues to evolve. Four significant secular trends assist us both in growing our business within this market and in leveraging our success to penetrate the I&E and semiconductor markets:

- **Parental aspiration and government support, for STEM education.** There is a growing recognition in government that high-quality educational provision in STEM is a prerequisite for national economic competitiveness. Likewise, more parents have come to realise that proficiency in STEM subjects often creates opportunities for their children. As a result, computing and coding have transitioned from a specialised skill to a topic of mainstream education and an accessible hobby, and they continue to be democratised by the advent of intuitive coding languages and DIY kits. In addition, STEM education is

being supported by underlying trends that include diversity and inclusion initiatives, the overcoming of teacher shortages, increased grants and funding, and more online and gamified learning post-COVID. We believe that our hardware products, software, and printed and online collateral, are well positioned to address this growing demand.

- **The browser as the platform.** Over the last decade, proprietary operating systems have declined in importance, as the web browser (primarily Chrome/Chromium) has become a dominant user interface, productivity software platform, and application programming environment. This allows Linux-based devices such as Raspberry Pi to compete as cost-effective general-purpose desktop PCs on a level playing field with Windows and macOS devices, and their more mature native software ecosystems.
- **The rise of artificial intelligence (“AI”) and machine learning.** AI and machine learning have become popular enablers for hobbyist and educational projects. These techniques demand greater performance from edge devices. Raspberry Pi’s flagship devices deliver this performance, whether in their own right or as hosts for third-party accelerator hardware. For example, enthusiasts have used Raspberry Pi 5 to run large language models and analyse and identify images. At the low end, Raspberry Pi’s semiconductor products are optimised to run TinyML frameworks.
- **The “Maker Pro” movement.** Historically, most hobbyist projects were developed purely for personal satisfaction. Over the last decade, however, social media and crowdfunding platforms have provided makers with access to an audience, and a business model, generating an explosion of small businesses building electronic products. Raspberry Pi provides these makers with access to cutting-edge technology at a compelling price point, with no minimum order quantities, “opportunity qualification”, or other barriers to entry.

In addition, even in the developed world, many families lack access to general-purpose computing platforms. The Office of Communications of the UK estimated that between 1.1 million and 1.8 million children in the UK alone were unable to effectively study from home during the COVID-19 pandemic due to a lack of equipment. While the early months of the pandemic produced limited, subsidised deployments of laptops, Chromebooks and tablets, the high unit cost of these devices precludes widespread ongoing deployment. In the developing world, the digital divide between those with access to devices and those without is wider, and these markets have a particular need for affordable, highly versatile computing solutions, which can enable digital inclusion, revolutionize connectivity, and broaden access to the digital economy.

Low-cost computing devices like Raspberry Pi, originally intended for teaching young people about computing (“*computing education*”), can also be used as general-purpose desktop PCs for education (“*computing for education*”). By leveraging existing infrastructure (televisions for display output, mobile phones for network connectivity), they provide an alternative computing platform that is significantly less expensive than other devices. Medium-scale deployments of thousands of philanthropically-funded or at-cost kits for disadvantaged children (such as the Foundation’s Learn at Home programme) during the pandemic demonstrated the viability of this approach, while our Raspberry Pi 400 provides (and its anticipated successor, Raspberry Pi 500, will provide) an all-in-one full-function desktop PC product built into a keyboard. Our latest flagship device, Raspberry Pi 5, has largely closed the subjective performance gap with traditional platforms.

In 2021, the E&E total addressable market size was estimated to be \$4.9 billion<sup>3</sup>. This market is comprised of the relevant portions of the \$29.0 billion global maker market and the \$6.8 billion global STEM kit market. Within the global maker market this includes the approximately 5 per cent. to 10 per cent. of people who spend

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<sup>3</sup> Source: “DIY by the numbers: Why the maker movement is here to stay”. <https://atmelcorporation.wordpress.com/tag/maker-movement-statistics/>, as of 2021; “Maker Market Study: An in-depth profile of makers at the forefront of hardware innovation” <https://cdn.makezine.com/make/bootstrap/img/etc/Maker-Market-Study.pdf>, as of 2021

their hobby time on “computer programming”. Within the global STEM kit market, this includes the approximately 30 per cent. of the market that we believe comprises computer or microcontroller hardware. In 2021, we estimated that the E&E market was growing by 8 per cent. per year.

### ***Semiconductors***

In 2021, we released our first internally developed semiconductor device, the RP2040 microcontroller, and in 2023 we released the RP1 I/O controller chip, which is a component of the Raspberry Pi 5. While the primary aim of our semiconductor design activity is to support our SBCs and compute modules, we have had success selling RP2040 into the microcontroller market.

Microcontrollers are the most ubiquitous computing platform in the world and are used in various applications, including consumer goods, automotive and industrial equipment. By selling RP2040 and its anticipated successors to third parties, we aim to capitalise on the following aspects of the evolving structure of the market:

- **8-bit to 32-bit transition.** In 2024, more than half of microcontroller volumes comprise products built on legacy 8-bit (and some 16-bit) architectures, including PIC, AVR8 and 8051. Demand for richer end-device functionality is driving a transition to 32-bit architectures (primarily but not exclusively from Arm) for new designs. Incumbents have largely been successful in offering their 32-bit products at a premium in comparison with their lower-end products, and we believe that there is an opportunity for a new entrant like Raspberry Pi to disrupt this pricing dynamic.
- **Foundry capacity constraints.** Microcontrollers are often fabricated on older (65nm and above) semiconductor process nodes. Most vendors outsource manufacturing, while a handful retain some first-party manufacturing capabilities. In either case, wafer capacity on these nodes is effectively fixed; recent global shortages were attributable in part to modest increases in demand and fixed limits on supply. Products built on newer process nodes (RP2040 is built on TSMC’s 40nm process node) make more efficient use of wafer supply and can access a separate pool of manufacturing capacity.
- **High mix challenges.** Many incumbents operate a “high mix” product strategy, offering hundreds of product variants derived from tens of semiconductor die variants, with the aim of accurately segmenting the market to maximise margin. Fragmenting the pool of inventory in this way creates operational complexity, and supply chain vulnerability, especially during periods of shortage. Our low mix strategy, which offers rich feature sets to all customers, sacrifices a limited amount of margin to obtain operational simplicity and reduce inventory holding requirements for a given availability level.

As a result, we believe that we have an opportunity to help complete the transition to the Arm architecture in the deep-embedded space, exploiting the low cost-structure of our semiconductors to drive 32-bit computing into areas of the market currently dominated by legacy products and architectures.

Of the \$25.2 billion microcontroller market in 2024, 32-bit products, which are mostly based on the Arm architecture, accounted for \$15.3 billion (source: VDC report), which understates the continuing unit-sales dominance of legacy 8-bit and 16-bit devices that have a lower ASP.

The microcontroller market is expected to grow to \$34.8 billion by 2027 (source: VDC report). The majority of this growth is projected to be concentrated in the 32-bit segment, displacing legacy 8-bit and 16-bit microcontrollers.

### **Products**

Our standard product portfolio comprises SBCs, compute modules, accessories, and semiconductors. In addition, we also design and develop custom products for some of our largest OEM customers.

## Single Board Computers

### Current product portfolio

Our first product, Raspberry Pi 1 Model B launched in February 2012, as an SBC almost exactly the size of a credit card. At \$35, it offered a basic but complete Linux-based PC, with a single-core Arm11 processor, video output with hardware acceleration, USB, wired Ethernet, and GPIO pins with which to interact with the physical world. Today, our most advanced SBC, the flagship Raspberry Pi 5, which was launched in 2023 and features our RP1 I/O controller chip, is priced beginning at \$60 and offers, among other things, roughly 150 times the processing power and sixteen times the memory of the original Raspberry Pi 1 Model B.

The following table sets out key details of our current SBC product suite:

Name	Launch date	Key features <sup>4</sup>	Current sale price <sup>5</sup>	Anticipated sunset
Raspberry Pi 1 Model B+	2014	<ul style="list-style-type: none"> <li>700MHz single-core Arm11 CPU</li> <li>512MB RAM</li> <li>4 USB 2.0 ports</li> <li>100Mbit Ethernet</li> </ul>	\$25	2030
Raspberry Pi 1 Model A+	2014	<ul style="list-style-type: none"> <li>700MHz single-core Arm11 CPU</li> <li>512MB RAM</li> <li>1 USB 2.0 port</li> </ul>	\$20	2030
Raspberry Pi 2 Model B	2015	<ul style="list-style-type: none"> <li>900MHz quad-core Arm Cortex-A7 CPU</li> <li>1GB RAM</li> <li>4 USB 2.0 ports</li> <li>100Mbit Ethernet</li> </ul>	\$35	2026
Raspberry Pi Zero	2015	<ul style="list-style-type: none"> <li>1GHz single-core Arm11 CPU</li> <li>512MB RAM</li> <li>Micro-USB port</li> <li>Mini-HDMI port</li> <li>No MIPI camera connector<sup>6</sup></li> <li>No MIPI display connector</li> </ul>	\$10	2030
Raspberry Pi 3 Model B	2016	<ul style="list-style-type: none"> <li>1.2GHz quad-core 64-bit Arm Cortex-A53 CPU</li> <li>1GB RAM</li> <li>4 USB 2.0 ports</li> <li>100 Mbit Ethernet</li> <li>Bluetooth; single-band 802.11n Wi-Fi</li> </ul>	\$35	2030
Raspberry Pi Zero W	2017	<ul style="list-style-type: none"> <li>1GHz single-core Arm11 CPU</li> <li>512MB RAM</li> <li>Micro-USB port</li> </ul>	\$15	2030

<sup>4</sup> Except for the Raspberry Pi Pico family, or unless otherwise stated, all SBCs incorporate our standard 40-pin GPIO connector, MIPI camera and display FPC connectors, an SD card socket, a full-size HDMI socket supporting HD (1080p60) output, and a USB power socket.

<sup>5</sup> Excluding applicable taxes

<sup>6</sup> Launch variant only. MIPI camera connector present from board revision 1.3.

Name	Launch date	Key features <sup>4</sup>	Current sale price <sup>5</sup>	Anticipated sunset
Raspberry Pi 3 Model B+	2018	<ul style="list-style-type: none"> <li>• Mini-HDMI port</li> <li>• Bluetooth; single-band 802.11n Wi-Fi</li> <li>• No MIPI display connector</li> <li>• 1.4GHz quad-core 64-bit Arm Cortex-A53 CPU</li> <li>• 1GB RAM</li> <li>• 4 USB 2.0 ports</li> <li>• Gigabit Ethernet<sup>7</sup></li> <li>• Power-over-Ethernet support<sup>8</sup></li> <li>• Bluetooth; dual-band 802.11ac Wi-Fi</li> </ul>	\$35	2030
Raspberry Pi 3 Model A+	2018	<ul style="list-style-type: none"> <li>• 1.4GHz quad-core 64-bit Arm Cortex-A53 CPU</li> <li>• 512MB RAM</li> <li>• 1 USB 2.0 port</li> <li>• Bluetooth; dual-band 802.11ac Wi-Fi</li> </ul>	\$25	2030
Raspberry Pi 4 Model B	2019	<ul style="list-style-type: none"> <li>• 1.8GHz quad-core 64-bit Arm Cortex-A72 CPU</li> <li>• 1, 2, 4 or 8GB RAM</li> <li>• 2 USB 2.0 and 2 USB 3.0 ports</li> <li>• 2 micro-HDMI ports supporting dual UHD (4Kp30) output</li> <li>• Gigabit Ethernet</li> <li>• Power-over-Ethernet support<sup>(8)</sup></li> <li>• Bluetooth; dual-band 802.11ac Wi-Fi</li> </ul>	\$35 to \$75	2034
Raspberry Pi Zero 2 W	2021	<ul style="list-style-type: none"> <li>• 1GHz quad-core 64-bit Arm Cortex-A53 processor</li> <li>• 512MB RAM</li> <li>• 1 micro-USB port</li> <li>• Bluetooth; single-band 802.11n Wi-Fi</li> <li>• No MIPI display connector</li> </ul>	\$15	2030
Raspberry Pi 5	2023	<ul style="list-style-type: none"> <li>• 2.4GHz quad-core 64-bit Arm Cortex-A76 CPU</li> <li>• 4 or 8GB RAM</li> <li>• 2 USB 2.0 and 2 USB 3.0 ports</li> <li>• 2 micro-HDMI ports supporting dual UHD (4Kp60) output</li> <li>• Gigabit Ethernet</li> <li>• PCIe 2.0 x1 port</li> </ul>	\$60 to \$80	2036

<sup>7</sup> Bridged over USB 2.0. Maximum theoretical bandwidth 480Mbps.

<sup>8</sup> Additional PoE HAT board required.



Name	Launch date	Key features <sup>4</sup>	Current sale price <sup>5</sup>	Anticipated sunset
Raspberry Pi Pico family	2021	<ul style="list-style-type: none"> <li>• Power-over-Ethernet support<sup>(8)</sup></li> <li>• Bluetooth; dual-band 802.11ac Wi-Fi</li> <li>• Flexible interfacing capabilities provided by Raspberry Pi RP1 I/O controller</li> </ul>	\$4 to \$7	2036
		<ul style="list-style-type: none"> <li>• 133MHz dual-core Arm Cortex-M0+ CPU</li> </ul>		
		<ul style="list-style-type: none"> <li>• 264KB RAM</li> </ul>		
		<ul style="list-style-type: none"> <li>• USB 1.1 port</li> </ul>		
		<ul style="list-style-type: none"> <li>• 26 GPIO pins</li> </ul>		
		<ul style="list-style-type: none"> <li>• Bluetooth; single-band 802.11n Wi-Fi (Pico W and Pico WH only)</li> </ul>		
		<ul style="list-style-type: none"> <li>• Programmable in MicroPython and C</li> </ul>		

Dramatic improvements in price/performance have been achieved through economies of scale, the operation of Moore's Law, investment in manufacturing automation, and improvements in the performance and interoperation of platform components, driven by our own and our partners' research and development efforts. We anticipate further benefits will be achieved by moving to smaller semiconductor process nodes, and we and our partners continue to invest in automation and platform research and development in our respective organisations.

Since the launch of Raspberry Pi 4 in 2019, we have offered variants of each flagship SBC with different quantities of DRAM on board. This has been a significant driver of ASP and unit gross profit.

#### *Product pipeline:*

We continue to invest in the design and development of new SBC products, including successors to Raspberry Pi 5 and Raspberry Pi Pico, that will incorporate future semiconductor products, including RP235x. We intend to develop new products that address customer requirements such as industrial temperature tolerance and on-board non-volatile storage. We also intend to continue working to extend the long-term availability of our older SBCs.

We may offer SBC variants targeted at specific markets in the future, but our current low mix model has proved to be durable during our first decade in the market.

### ***Compute modules***

#### *Current product portfolio*

Most of our I&E customers build their solutions around the standard Raspberry Pi SBC. Their applications are insensitive to form factor; they value the convenience of purchasing a complete working system; and they are typically comfortable adding their own hardware functionality, if any, via add-on boards or wiring looms.

In 2014 we introduced Compute Module 1, the first in our line of system-on-module products. Compute module products are aimed at the minority of I&E customers who require a more configurable form factor for deep-embedded designs (often because they are addressing a consumer market and require control over product aesthetics), who wish to add a different set of on-board peripherals to those present on the SBC product, or who require a very high level of mechanical robustness in their completed system. They lack user-facing external connectors (Ethernet, USB, HDMI), which customers provide themselves if needed, together with any peripherals they require, on their own carrier board.

We currently offer the following compute module products, all of which combine the processor, DRAM and power-supply elements of the parent SBC design with optional non-volatile Flash memory and, in the case of Compute Module 4, a Gigabit Ethernet transceiver, and an optional Bluetooth 5 and dual-band Wi-Fi wireless modem:

Name	Launch date	Key features	Current sale price <sup>9</sup>	Anticipated sunset date
Compute Module 1	2014	<ul style="list-style-type: none"> <li>700MHz single-core Arm11 CPU</li> <li>512MB RAM</li> <li>4GB Flash memory</li> </ul>	\$30	2030
Compute Module 3	2016	<ul style="list-style-type: none"> <li>1.2GHz quad-core 64-bit Arm Cortex-A53 CPU</li> <li>1GB RAM</li> <li>0 or 4GB Flash memory</li> </ul>	\$30 to \$35	2030
Compute Module 3+	2019	<ul style="list-style-type: none"> <li>1.2GHz quad-core 64-bit Arm Cortex-A53 CPU</li> <li>1GB RAM</li> <li>0, 8, 16 or 32GB Flash memory</li> </ul>	\$25 to \$40	2030
Compute Module 4	2020	<ul style="list-style-type: none"> <li>1.5GHz quad-core 64-bit Arm Cortex-A72 CPU</li> <li>Gigabit Ethernet</li> <li>PCIe 2.0 x 1</li> <li>Optional Bluetooth; dual-band 802.11 ac Wi-Fi</li> <li>1, 2, 4 or 8GB RAM</li> <li>0, 8, 16 or 32GB Flash memory</li> </ul>	\$30 to \$95	2034

We offer 32 variants of Compute Module 4, resulting from the combination of four DRAM densities, four Flash densities (including Flash-free “Lite” variants), and optional wireless.

#### *Product pipeline:*

We continue to invest in the design and development of successor compute module products, in particular Compute Module 5, which we expect to release in the second half of 2024.

Where we pursue a low-mix strategy in the SBC space, the requirements of our compute module customers have driven us to a progressively higher-mix approach. It is possible that in the future we will offer further feature set optionality, or industrial or automotive temperature grade variants, which would have a geometric impact on the total number of variants.

We will seek to shorten the gap between producing a new SBC and producing a new compute module based on the same technology, while retaining form-factor compatibility between generations.

<sup>9</sup> Excluding applicable taxes

## ***Accessories***

### ***Current product portfolio***

Every Raspberry Pi SBC product requires at least some accessories to operate. At a minimum, it requires a storage medium (generally a Secure Digital (“SD”) card) on which to store an operating system and user data, and a power supply to power it. In many applications it will also require a case, one or more video cables, and a collection of USB peripherals (mice, keyboards, webcams, Flash storage).

Specialist Raspberry Pi-specific accessories attach to an SBC via a standardised 40-pin GPIO connector, or via flexible printed-circuit (“FPC”) connectors which carry camera or display data. We define an electrical and mechanical standard for accessory boards, referred to as HATs (“Hardware Attached on Top”). There is a rich ecosystem of third-party HATs, many developed by our ARs, which add functionality including sensing, actuation, small-form-factor display output, and audio input and output to the base product.

We introduced our first official Raspberry Pi accessory, a five-megapixel camera, in 2013, and a 7-inch touchscreen display and a plastic enclosure in 2015. These have since been followed by further Raspberry Pi-designed products, including the Sense HAT (a product to support the Foundation’s Astro Pi programme), the TV HAT (a digital TV receiver), power-over-ethernet (“PoE”) and PoE+ HATs (which allow a Raspberry Pi to be powered from an Ethernet cable), the Build HAT (developed in collaboration with LEGO, and providing interoperability with their family of intelligent sensors and actuators) an official mouse and keyboard, and further cameras and cases. We have also released products sourced from original design manufacturers (“ODMs”) and branded by us, notably cables and power supplies, and a range of audio accessories acquired from a third party and originally sold under the IQaudio brand. Some accessories (e.g. PoE accessories) primarily target the I&E market, while others (e.g. cases) primarily target the E&E market. Accessories are priced between \$5 and \$60, depending on the product.

Our accessory business has become an important contributor to our financial performance, accounting for \$15.4 million and \$4.5 million of revenue and gross profit, respectively, in 2023.

### ***Product pipeline***

We continue to design and procure new accessories, including market-specific products (such as accessories targeting industrial control) and currently missing generic products (such as monitors and USB hubs), and we may consider further acquisitions of accessories from third parties. We are, however, careful to recognise that third-party accessories are an important source of incremental margin for many of our ARs. We generally only enter an accessory market where we have a compelling technical advantage that allows us to offer a differentiated product (cameras and displays), where we perceive a market failure preventing our partners from accessing a good-quality product at a competitive price (cables, cases, power supplies, Flash media), where we need to acquire specific capabilities (mouse, keyboard), or to develop a new educational experience in collaboration with the Foundation.

## ***Semiconductors***

### ***Current product portfolio***

Our portfolio of semiconductor products available for sale to third parties presently comprises the RP2040 microcontroller, which was introduced in 2021; our other semiconductor, the RP1 I/O controller, is only intended for use as a component of our own products.

RP2040 is a dual-core, 32-bit design, built around Arm’s smallest and most energy-efficient processor, Cortex-M0+. It has a relatively large on-chip RAM (264KB) and no on-chip non-volatile storage. It ships as a 56-pin QFN chip, with 30 input/output (“I/O”) pins, a small set of fixed-function peripherals including USB 1.1, and our proprietary programmable I/O (PIO) subsystem.

PIO is a novel, patent-pending hardware extension for our products that simplifies interfacing with other hardware (such as sensors, storage, and displays). It makes our products highly adaptable to many tasks, can replace other third-party components, and is a key enabler of our low-mix microcontroller strategy.

Taking its PIO into account, RP2040 has a feature set normally associated with a mid-market 32-bit microcontroller, which would typically sell in volume for substantially more than \$1. To encourage adoption, we make RP2040 available in single-unit quantities via our network of ARs at \$1, and directly from us in reel (3,400-unit) multiples at \$0.70 per unit.

As a result of our low-mix strategy, and the small size of RP2040 silicon die (we can produce over 20,000 parts from a single 300mm silicon wafer), RP2040 was continuously available during the global semiconductor shortage. At a time when incumbents' parts were often unavailable, this significantly accelerated adoption in the engineering design community. We sold 2.7 million RP2040s to third parties in 2023, in addition to units consumed in manufacturing Raspberry Pi Pico products and RP2040-based first-party accessories.

### *Product Pipeline*

We are designing and developing a family of microcontrollers, RP235x, which will serve as successors to RP2040, and which we expect to launch in second half of 2024. RP235x products are designed to operate at higher speeds, use less power and provide greater security than RP2040.

We also continue to invest in the development of new chipsets for use in our SBCs and compute modules for release in the medium-term.

## **Custom Products**

Our OEM customers generally prototype their Raspberry Pi-based products using our SBC products, and may migrate to our compute module products as they scale. Customer-specific hardware, if required, is integrated with an SBC via a HAT or other add-on board, or with a compute module via a carrier board. The component and manufacturing cost of a two-board solution, aggregated across our own costs in producing the SBC or compute module, and the customer's cost in producing their HAT or carrier board and integrating it with the SBC or compute module is, in general, higher than that of a hypothetical solution in which all hardware is integrated onto a single board.

Despite these underlying unit cost disadvantages, and the margin embedded in the products they buy from us, our OEM customers elect to build their products around Raspberry Pi products for two reasons:

- *Lower fixed costs.* OEM customers are able to leverage our investments (i) in the hardware compute subsystem, and in particular in the power distribution architecture and SDRAM interface, the design of which can be technically demanding and prone to error; (ii) in the device firmware, Linux kernel, Raspberry Pi OS, and other elements of the software platform; and (iii) in regulatory compliance, where the FCC modular conformance of our most recent products yields substantial savings in up-front cost.
- *Economies of scale.* We manufacture products, and source components, at a scale which is between one and two orders of magnitude larger than our largest OEM customers. This provides us with substantial cost structure advantages, which partially offset the theoretical cost-structure disadvantages to an OEM customer of using our products.

At higher volumes an OEM customer will benefit from their own economies of scale, and the improvement in unit costs associated with building their own customised, single-board solution may come to outweigh the lower fixed costs associated with remaining within the Raspberry Pi ecosystem. We estimate that a volume of 50,000 to 100,000 units a year is generally sufficient to justify an OEM's transition from "buy" to "make".

To retain these OEMs as our customers, we are putting in place a program which pre-emptively offers customised versions of our products to our highest volume customers. These comprise our own hardware compute subsystem, specialised to customer requirements, and integrated onto a single board alongside customer-specific hardware. We may use silicon from a variety of vendors to reduce costs. We design the product, manage regulatory compliance, and enable the product to run the Raspberry Pi software platform, keeping the customer's fixed costs low. We source the necessary components, procure manufacturing, and provide the finished product as a turnkey offering, allowing the OEM customer access to our economies of scale.

The savings generated by (i) specialising the compute subsystem to the customer's requirements; (ii) combining the compute subsystem and customer-specific hardware onto a single board; and (iii) applying our economies of scale are such that we can afford to both increase our unit gross profit and significantly reduce our customer's unit cost, thereby increasing the volume threshold at which it is economically optimal to transition from "buy" to "make", and also retaining our highest volume OEM customers for longer.

We intend to continue developing custom products and will seek to leverage our direct-to-OEM customer base to source additional customisation opportunities. We also intend to introduce our own semiconductor products into this programme over time.

## Software

Our willingness to continue to support and invest in the software that runs on our products is a key differentiator for our platform and ecosystem. We believe that customers value the ease of use and reliability of the platform, as well as its large open-source software community. Historically, the majority of these investments have applied to the software stack for our Linux-based SBC and compute module products. This can be divided into three layers:

- **Device firmware** is closed-source, proprietary software which is responsible for clock and power control and for controlling parts of the multimedia subsystem.
- The **Linux kernel** is open-source software which runs on the Arm processor in the core silicon and is responsible for the low-level control of the platform hardware. The vast majority of the kernel is generic and is applicable to any platform. To customise the kernel to run on our products, we select drivers for the various intellectual property blocks contained within the platform; where these do not already exist within the Linux kernel codebase, we must write and maintain our own.
- **Raspberry Pi OS** is a mostly open-source operating system which runs on top of the Linux kernel on the Arm processor. It is derived from the popular Debian operating system, with extensive customisations and additional applications aimed at enhancing ease of use. While we recommend Raspberry Pi OS to our users, other third-party operating systems support Raspberry Pi platforms, including Ubuntu, SUSE Linux, and some variants of Microsoft Windows.

Each layer of the stack is under continuous development, as new firmware builds, kernels and updates to the operating system are made available to advanced users on a daily basis. Some of these updates are the result of work by the in-house firmware and Linux software teams to add features or address identified defects. In the case of open-source software, updates may also be the result of changes to the upstream codebase made by developers outside our organisation. We use automated regression testing to screen for gross defects introduced during the integration process.

Periodically, we assemble a particular firmware, kernel, and operating system build into a release image. These undergo manual testing by our own engineers, and by external alpha and beta testers, to identify defects. Releases may be designated for long-term support and will continue to receive critical updates even after they

are no longer current. This is a valuable service to our I&E customers, who wish to receive these updates without the disruption of moving to an entirely new release.

While most of our software investments benefit both E&E and I&E customer bases, we have recently begun to invest more aggressively in features that are of specific interest to I&E customers.

We separate our software stack into board-specific and board-agnostic elements, and carefully manage the degree of architectural divergence between successive hardware platforms. This has allowed us to sustain a steady rate of feature additions and performance optimisations, and to retain forward and backward compatibility, without unmanageable growth in the size of our software organisation.

The latest Raspberry Pi OS release will run on every Raspberry Pi SBC or compute module, including Raspberry Pi 1 Model B, which was launched in 2012. This compatibility is an important part of our value proposition to customers, who can invest in our products in the knowledge that they will benefit from new software releases in the future.

We ship both a 32-bit version of Raspberry Pi OS for users of older hardware and our entry-level Raspberry Pi Zero product, alongside a 64-bit version for users of more modern hardware.

Our Raspberry Pi Pico product line, and RP2040 microcontroller product, are supported by a separate Raspberry Pi Pico SDK. This comprises a collection of software libraries and tools which simplify the task of writing software for the platform, and of accessing the various features present inside RP2040. We work with third parties to ensure that popular software environments, including MicroPython and FreeRTOS, run correctly and performantly on RP2040, and we collaborate with professional tool vendors, including Arm and IAR, to add support for RP2040 to their toolchains.

## **Other Activities**

### ***Publishing and stores***

Raspberry Pi has always been a community-oriented organisation: our commitment to our community is reflected in our investments in online community management and social media, and in the quality of the associated printed materials that we produce. Since 2015, we have operated a small publishing business, branded Raspberry Pi Press, which produces Raspberry Pi-related books, and two monthly magazines: The MagPi, aimed at Raspberry Pi users; and HackSpace, aimed at the broader maker community. All Raspberry Pi Press publications are available for free in digital form, alongside paid-for physical media. The ability to produce high-quality, freely available publications supporting our products and our user community is, we believe, a significant differentiator. In early 2019, we opened our first Raspberry Pi store, a physical retail space in Cambridge, which provides us with a venue for events and an opportunity to interact with, and learn from, our broad range of individual customers, from highly informed enthusiasts to beginners.

## **Research and Development**

### ***General***

The goals of our research and development process are twofold: to sustain our existing business, by generating new iterations of existing successful product lines, and to obtain the capabilities required to create new product lines and, more rarely, lines of business. As an example, while we expect our silicon development programme to generate semiconductor devices which allow us to build more compelling SBCs, compute modules, and custom products. The first output of the programme was RP2040, the first entry in a new product line, and the first product from an entirely new line of business.

We have pursued a strategy of product-oriented capability acquisition since the early days of our business. The development of our new products draws upon our existing capabilities, and in turn is expected to generate new capabilities. We do not generally pursue pure research and development programmes: the vast majority of research and development is directed at the development of specific products. However, we do on occasion select products for development primarily to acquire specific capabilities. An example is the Raspberry Pi Keyboard, which gave us familiarity with sourcing and integrating high-quality keyboard mechanisms; this capability was a prerequisite for the development of Raspberry Pi 400.

When developing SBCs and compute modules, we pursue an “all up” approach, where all stages of product definition and design work are run in parallel. We use longer design cycles than traditional players, which gives us time to explore the design space and avoid the risks of premature specification lock-in. Design reliability and production stability are at the heart of our value proposition, and every product is designed for long-term, high-volume production.

Our research and development strategy is closely aligned with our approach to talent acquisition and development and has enabled us to build an engineering team with deep experience and a broad spread of capabilities.

Our engineering team is structured and managed along functional lines, with teams dedicated to hardware design; regulatory compliance; application-specific integrated circuit (“ASIC”) architecture, front-end design and verification; ASIC implementation; ASIC manufacturing operations; firmware development; Linux software development; and algorithm design.

Our organisational structure is intentionally flat, with only one level of management below the engineering members of the senior management team. We assemble cross-functional, mission-oriented teams to deliver specific products. Delivering a new flagship SBC will involve contributions from almost every engineer in our employ.

### ***Collaborative research and development***

In procuring semiconductor intellectual property blocks and complete electronic devices for use in our products, we choose to either make them in-house or buy them from third-party suppliers. Where the product is highly complex (large digital ASIC intellectual property blocks, devices on advanced process nodes), encumbered by patents and other proprietary rights (CPU cores), or far outside our current capabilities (antennas, electromechanical components, analogue ASIC intellectual property blocks or devices), we may work with third parties to help them develop products which do not yet exist but which we wish to buy. For example, we collaborate with the semiconductor manufacturer Renesas to design power management integrated circuits and with Broadcom to design core silicon devices.

### ***Regulatory compliance***

Regulatory compliance is the process of ensuring that a product meets any requirements set by local regulatory authorities, which must be met before the product can be put on sale in a specific geographical territory. Regulations typically focus on product electrical safety, robustness with respect to electrostatic discharges (“ESD”), immunity to electromagnetic interference and limitation of electromagnetic emissions; together, these last two are referred to as electromagnetic compatibility (“EMC”). While there are certain minimum regulatory compliance requirements which must be met before a product can be launched, the regulatory compliance campaign for a product is never truly complete.

Prior to the start of volume manufacture, testing is carried out to check whether the product has any material design defects which would likely prevent it from achieving regulatory compliance in any of our major markets. This pre-compliance work may involve immunity and emissions testing of one or more prototypes in a local EMC test chamber and subjecting prototypes to calibrated ESD events.



At the launch of a product, we aim to ensure that it meets current regulatory standards in at least a minimum group of core target markets. The specific regulatory requirements for a product are determined by our in-house regulatory compliance team, in collaboration with external consultants. At present our core target markets for early compliance are North America (FCC for the United States, IC for Canada), the UK (CE), and the EU (CE). Regulatory compliance, in further target markets follows after the launch of a product in our core target markets. As there is a non-trivial cost associated with regulatory compliance certification in a country, it may be deferred for some developing world countries until we determine that there is sufficient likely demand for the relevant product to justify the investment. All Raspberry Pi products are RoHS and REACH compliant at launch.

We outsource our formal regulatory compliance testing, often to UL (formerly Underwriters Laboratories), but have recently taken steps to bring the more straightforward parts of the global market access process in-house, thereby realising significant cost savings, particularly in respect of ongoing regulatory compliance costs for products already in the market.

## **Supply Chain and Third-Party Manufacturing**

### ***Supply chain***

Our supply chain includes a variety of component producers and manufacturers and, where possible, we seek to use multiple suppliers of individual components to maintain competitive pricing. We design and develop certain of our core silicon components (notably RP2040) internally, and source the rest from Broadcom under a long-term supply contract (for further details, see Part XVII: “*Additional Information—Material contracts—Supply Contracts*”). Infineon and Synaptics provide connectivity silicon. Renesas, Olympic, Trxcom, and MaxLinear provide additional components, including power management silicon, PCB, and electromechanical components. We have direct relationships with these connector manufacturers. We source memory from Samsung and Micron, and the remainder of our components from various Southeast Asian suppliers. Where possible, we seek to use a common bill of materials across our products, as this drives purchasing leverage and increases the flexibility of our supply chain.

### ***Electronic product manufacturing***

As is common practice in the electronics industry, we and our Licensee outsource the manufacturing of SBCs, compute modules, custom products, and non-ODM accessories to third-party contract electronics manufacturers (“CEMs”). In the past, we and our Licensee have used a number of tier-one and tier-two CEM partners, both in the UK and in China.

As of 31 December 2023, over 90 per cent. of our SBCs, as well as the majority of our compute modules and custom products, and many of our non-ODM accessories, are manufactured at the Sony Facility in Pencoeed, UK, with a smaller number of sub-assemblies and completed SBCs manufactured at the Sony facility in Inazawa. We have agreed with Sony to further expand production at the Inazawa facility and, by the end of 2024, to establish a dedicated production line there for our current flagship SBC, Raspberry Pi 5. We also maintain smaller manufacturing relationships for accessories with several other subcontractors.

Sony manufactures products for us and for our Licensee according to our specifications, although we do not have a formal contract in place with Sony regarding the manufacture of our products. We retain all intellectual property and control over the commercialisation of those products. We also help Sony design the equipment and processes they use to manufacture our products. For example, we have primary responsibility for the test software and electronic hardware platform used to test Raspberry Pi 5, with Sony retaining responsibility for the electromechanical and mechatronic aspects of the test system.

We source certain strategic components on behalf of our CEM for use in our products, such as memory and processor chips, and sell or free issue them to the CEM. We will do this when (i) we are aware of a new product needing to be manufactured, but which the CEM is not fully aware of, or where the CEM is not prepared to source specific components in sufficient quantities in advance of a firm production commitment, or (ii) we are aware of market conditions that may impact supply or demand and wish to mitigate the impact of expected price rises or supply shortages by holding inventory (as was seen in the 2022 global semiconductor shortage).

Our longstanding relationship with Sony in the UK offers a number of benefits, notably:

- **Physical proximity.** Selecting a partner in the same country, with a common language, greatly improves interworking between design and manufacturing. Our engineers visit the Sony Facility on a regular basis, contributing to manufacturing efficiency initiatives and garnering valuable feedback. This familiarity has proven to be a source of manufacturing cost reductions, which we leverage to either deliver increased margin for a given feature set and price point or an improved feature set at a given price point and margin.
- **Supply chain.** We can leverage Sony's purchasing power to obtain improved pricing on certain components of our designs. While we are not permitted per-line access to Sony component pricing, the resulting benefit to our cost structure is material. In addition, our close relationship with Sony allowed us to mitigate the impact of the global semiconductor shortage, as we were able to meet with them weekly (and sometimes daily) to counter short-term issues.
- **Surge capacity.** Sony's Inazawa facility specialises in high-volume manufacturing of high-technology products, including mobile phone handsets. At normal production rates, we make use of Inazawa to augment the "front-end" (automated component placement) throughput available in Pencoed. In times of high demand, for example at product launches, we draw further on Inazawa's scalable front-end capacity and add shifts to increase Pencoed's "back-end" (through-hole component insertion (where applicable), test and packaging) capacity.
- **Specialist capabilities.** The breadth of Sony's first-party business provides us with access to capabilities which would be hard to replicate at a generic CEM. Pencoed's principal first-party business is the manufacture of Sony broadcast cameras, and we have leveraged their optical capabilities to manufacture our HQ Camera product, launched in 2020. Similarly, we have used Inazawa's familiarity with radio-enabled products to manufacture a wireless module for use on Raspberry Pi 400 and Compute Module products.
- **Integrated prototype manufacturing.** Sony offer a short-run prototyping facility, STORM, located at the Sony Facility. In comparison with building prototypes at a dedicated short-run supplier, building at STORM provides Sony with sight of potential new products, and us with access to manufacturer-specific design for manufacture feedback, earlier in the design process.
- **Made in Japan.** While "Made in the UK" is itself a strong brand, Japanese-manufactured products are considered extremely attractive in the Japanese market, and to a lesser degree in other Far-Eastern markets. Historically, our former licensee RS Components sourced a limited quantity of finished Raspberry Pi 3 units from Inazawa, allowing them to apply this branding. As noted above, we intend to work with Sony to implement a Japanese production line for Raspberry Pi 5 in 2024. In doing so, we are also seeking to strengthen our manufacturing supply chain resilience by ensuring there are two locations manufacturing our key products.
- **Capital investment.** Manufacturing electronics products requires significant capital investment on the part of the manufacturer. Our decision to manufacture large volumes of our products helps justify Sony's capital investment in automation, and allows them to develop a depth of experience with our products which contributes to product quality.

We mitigate the risks associated with our reliance on Sony as our primary manufacturer by (i) maintaining smaller manufacturing relationships with other CEMs and seeking competitive bids for the production of some new and (periodically) existing designs, (ii) designing our products so that they can be manufactured with industry-standard processes, and (iii) taking greater ownership of the product-specific elements of the production process, notably the testing of finished products. Although we have not had to move production from the Sony Facility to date, this portability would reduce the costs associated with doing so. For additional details on the risks related to our manufacturing relationship with Sony, see Part II: *“Risk Factors—Risks relating to our supply chain and product manufacturing—We rely on Sony to manufacture substantially all of our products, and our success is in part dependent on Sony’s current commitment to manufacturing our products.”*

Once a final design of a product is completed, a corresponding costed bill of materials and an assembly quote is agreed, and we and/or our Licensee place a pipeline of purchase orders with the CEM to secure launch and follow-on volume. Once orders are manufactured, they are either held at the Sony Facility, at the nearby United Worldwide Logistics warehouse, or shipped to our warehouse in Suffolk, for onward distribution.

Sony is also currently the primary manufacturer for products sold by our Licensee, pursuant to a separate arrangement between the parties.

### ***Semiconductor manufacturing***

With our RP2040 microcontroller, and RP1 I/O controller chip for Raspberry Pi 5, we are an emerging fabless semiconductor company. A “fabless” company designs semiconductors and outsources the fabrication of silicon wafers to a foundry partner. This is common in the semiconductor industry, and many of the largest vendors of logic semiconductors (e.g. Qualcomm, Broadcom (from whom we procure substantially all of our core silicon devices) or NVIDIA) are purely fabless. The primary benefit of the fabless model is that it avoids the multibillion-dollar investment associated with construction of a new semiconductor fabrication facility.

Currently our foundry partner is TSMC, which manufactures wafers in Taiwan for our semiconductor devices using a 40nm process and is one of the world’s largest manufacturers of silicon wafers. As our wafer throughput is below the volume threshold which would justify a direct relationship with TSMC, our interface with the foundry is via an aggregator, in our case IMEC (a private technology organisation based in Belgium). Once our ASIC engineering team have completed a design, we release that design, via IMEC, to TSMC. This process is referred to as “taping out” and entails a significant capital expenditure to create a mask set, which is a set of photolithographic masks used in the subsequent manufacture of wafers. Once the mask set is complete, we can purchase wafers.

While the detailed design of each product is somewhat customised to the fine details of TSMC’s 40nm process, and the physical mask set is only usable at TSMC, many other foundries (e.g. GlobalFoundries, SMIC, UMC) offer their own broadly compatible 40nm processes. If we were unable to manufacture with TSMC, we could port our design to one of these other vendors. This would entail pre-silicon work to adapt the design to the fine details of the new vendor’s 40nm process variant, payment of a further tape out fee, and post-silicon work to verify that the operation of the resulting semiconductor is sufficiently identical to that of the original TSMC-manufactured product. We believe that it would take roughly 12 months to complete the sequence of activities required to achieve volume production of a 40nm device at another foundry. Migration is likely to become progressively more challenging on more modern process nodes, where TSMC enjoy a greater lead over their competitors. To mitigate the impact of any supply chain issues with TSMC, we seek to hold one year of silicon inventory.

Consistent with common semiconductor industry practice, we use two outsourced semiconductor assembly and test (“OSAT”) partners, ASE Group in Taiwan and Unisem in Malaysia, to process wafers from TSMC into die, and to assemble those die into packaged products. We currently test certain packaged parts with Innovatest in

France before shipping them to a contractor in Scotland to be packaged into reels for distribution, or for our own internal use. For any given semiconductor device, over time we generally consolidate testing and reeling with our OSAT partners, thereby realising logistics cost savings.

## Marketing and Distribution

### *Customer Acquisition*

Historically, our primary source of new customer acquisition in the E&E market was via personal recommendations from existing E&E customers; our primary source of new customer acquisition in the I&E space was via enthusiast design engineers bringing our product into the workplace after experiencing it in their personal lives.

We have not historically incurred material costs for traditional marketing for customer acquisition. Price has been a powerful lever to grow market share. Our efficient cost structure often allows us to undercut rival industrial products by a factor of two or more while maintaining good margins, and this incentivises potential customers to evaluate our offerings. Our approach to customer acquisition can be summarised as follows:

- **Documentation and collateral.** We invest heavily in in-house technical writing, editing, graphic design, and photography, and produce high-quality marketing material (product briefs, web catalogue content) and technical documentation (datasheets, API references, programmers' guides, and technical whitepapers) for our products.

While long-term product stability and availability has always been a core value, we have introduced formal end-of-life ("EOL") dates for our products, initially set six to eight years from launch, but extended wherever possible. For unavoidable changes to products (bug fixes, performance enhancements, component changes to ensure availability), we operate a formal engineering change notice process.

- **Sales staff.** We grew our annual sales volume from 1.6 million units in 2013 to 7.1 million units in 2020 without a direct sales force, as maintaining a large, conventional sales force would have conflicted with our goal of controlling fixed costs. In 2021, we began to employ a small number of sector-specific sales staff in our Cambridge office to focus on I&E customers. We have two employees in North America supporting ARs and OEM customers, a contractor in Shanghai (shared with the sourcing team) who fulfils the same role in East Asia, and a contractor based in Nigeria, who is tasked with establishing a reseller network in sub-Saharan Africa.

In due course we may add a small number of additional sales and account management staff to focus on specific sectors and geographies.

- **Community management and social media.** We also rely on our strong community and engagement with social media to drive customer sales, as described in further detail in "*Community management and social media*".

Makers, enthusiasts, and educators are served by local and online resellers and are supported by the community via our forums and social media. Start-ups, small OEMs, design houses, and universities are predominantly served through large electronic distributors, and are supported by online documentation and collateral. We seek to develop this market segment by educating distributors on how to support, retain and upsell small but high-growth customers. Midsize OEMs are primarily served through specialised industrial resellers and are supported by a technical support network of industrial resellers that is complemented by selective support from our in-house account management and application engineering functions. We seek to develop this market segment by migrating growing customers into the direct-to-OEM channel. Large OEMs are served directly by

a dedicated in-house account manager, and have access to our core engineering team, mediated by application engineering. We are establishing programmes to proactively engage with large OEMs to help them transition to custom products.

Alongside our own efforts, we benefit from the substantial distributed sales capabilities of our ARs and our Licensee; our sales staff supports our ARs and our Licensee in these efforts. For example, our Licensee has over 500 sales staff globally, with 65 technical support staff potentially available to support our OEM customers.

### ***Engineering support programmes***

While we remain focused on scalability, and only offer engineering support to our largest OEM customers, we offer support programmes which give smaller OEM customers the confidence to invest in our platform. These include the Raspberry Pi Integrator Programme, and our network of Approved Design Partners. In addition, we employ a small application-engineering team to field technical questions and manage communications between key customers and our core engineering team.

#### ***Raspberry Pi Integrator Programme***

Regulatory compliance testing and certification place significant demands on businesses bringing products to market, especially smaller enterprises. The Raspberry Pi Integrator Programme is designed to greatly reduce the burden of navigating complicated regulatory compliance issues and make it easier for small, entrepreneurial companies to bring new, exciting products to consumers, in less time and with lower overhead costs.

All our products have undergone extensive regulatory compliance testing and are designed to reduce the regulatory compliance burden associated with integrating them into customer products. Customers can download copies of the relevant certificates and conformity documents from our Product Information Portal. Building on this, the Raspberry Pi Integrator Programme provides access to the same test engineers who have worked on our products during their regulatory compliance testing, connecting the user to a designated team at UL ([www.ul-certification.com](http://www.ul-certification.com)) who assess and test the user's product, facilitated by their in-depth knowledge of the underlying Raspberry Pi technology. The team at UL works closely with the Raspberry Pi engineering team, so any unexpected issues that may arise during testing can be resolved quickly.

Through the programme, UL streamlines the testing and certification process, which in turn decreases the amount of time necessary to launch a product. Our Raspberry Pi Integrator Programme is openly available and comes with no added cost beyond the usual testing fees at UL.

#### ***Raspberry Pi Approved Design Partners***

Many businesses around the world use Raspberry Pi to kick-start their design process and to build a proven and powerful computing platform into their products. Approved Design Partners provide support in integrating Raspberry Pi products on a consultancy basis. We review and approve prospective Approved Design Partners to ensure that they have the necessary technical and commercial capabilities.

### ***Distribution channels***

Our products are distributed in 75 countries around the world through our direct distribution channel and our licensee channel.

#### ***Direct distribution channel***

Under the direct distribution model, we sell our products either (i) to our over 100 ARs, who then resell these products to end customers and/or other channel partners, or (ii) directly to our over 500 OEMs. For each product, we place a pipeline of orders with our CEM (usually Sony, although some accessory products are manufactured elsewhere) based on estimated future demand. We aim to hold one to two months of finished-goods inventory

for each product, though in recent years, inventory levels have been volatile due to semiconductor shortages. We provide the working capital required to fund component and finished goods inventory.

We take orders from our global direct customer base and use a third-party logistics provider based in the UK to fulfil them. We generally offer 30-day payment terms, with relatively modest, and strictly enforced, credit limits, and make use of credit insurance. Our customers frequently pay early in order to free up credit capacity, thereby allowing them to buy further stock. We invoice certain OEM customers, for whom we are unable to obtain insurance, on a pro forma basis.

The increasing focus on direct distribution has improved the unit economics of our products, as we receive the full unit gross profit on the sale of each product, rather than a portion of it in the form of a royalty, although this has also increased the capital intensity of our business. It has also had the benefit of bringing us closer to our customers, a trend which was amplified by the global semiconductor shortage between 2021 and 2023. While our immediate aim at the time was to ensure that the limited available stocks of our products were deployed to the greatest effect, the long-term legacy has been much greater visibility of our customers' current applications and likely future requirements.

In 2023, 17 per cent. of our total SBC and compute module unit sales were to our Licensee acting in its capacity as an AR, 10 per cent. were to our largest ARs, DigiKey and Mouser, 43 per cent. were to smaller ARs, and 12 per cent. were direct to OEMs. The balance of unit sales were via the licensee channel.

#### *Licensee channel*

Our Licensee commissions the manufacture of certain of our products from a CEM, and it is contractually obliged to keep those products in stock at all times. Nominally, our Licensee has a free choice of CEMs, although all recent Licensee new product introductions have been with Sony. Where we free issue a part to the CEM for use in a product manufactured for our Licensee, we recover the cost through the royalty. Our Licensee reports its sales to us monthly in arrears. We set a maximum retail price for each product, and a maximum wholesale price for sales to ARs. Through February 2023, our licensees commissioned the manufacture of most of our SBCs and a limited number of our accessories and compute modules. Since March 2023 however, our Licensee now only independently commissions the manufacture of a limited range of high value SBCs (currently the 4GB and 8GB versions of Raspberry Pi 4 and 5). Our licence agreement with the Licensee expires in 2026, and we are not permitted to take on additional licensees during that period. See Part XVII "*Additional Information—Material Contracts—Licensee Agreement*".

#### *Approved Resellers*

Critical to our success has been the development over the last five years of our global network of ARs, which support us and our Licensee. Ranging from global corporations (Mouser and Digi-Key) to smaller but established companies (Silverline Electronics in India, Adafruit in the United States, CanaKit in Canada, Cytron in Malaysia), to start-ups which have grown up around the Raspberry Pi platform (Pimoroni in the UK, pi3g in Germany), this network provides us and our Licensee with global market access, as well as an external sales force. In our principal markets, we seek to ensure that there are at least two local ARs for our products, supported by the global distribution networks of, among others, Mouser and Digi-Key. Customers who access our website are, based on their location, directed to the appropriate AR. ARs enter into a contractual agreement with us which regulates the maximum retail price at which they may sell each of our products, as well as offered product range, and the manner in which our products are presented in their storefronts. These agreements also restrict the ability of ARs to sell our competitors' products.

While our networks have largely reached a steady state in developed-world markets, we continue to add ARs in Africa, Asia, the Middle East, and South America to meet our ambition of global ex-stock availability. We



may add additional channel partners in mature markets to meet our goals for stocking capacity, fulfilment and logistics capability, and sales, market development, and technical support expertise.

### ***OEMs***

Our OEMs incorporate our products into their own products on an industrial scale. We have active relationships with over 1,300 OEM customers, ranging from global corporations to smaller established companies to start-ups, including start-ups that exist to commercialise products which began life as the personal passion projects of members of our enthusiast community. Notable examples of our OEM customers include:

- Flightscope, whose Mevo+ product integrates a compute module and Raspberry Pi camera into a “launch monitor” for golfers;
- Kunbus, one of several OEM customers (others include Sfera Labs and Controlino) who build DIN-rail-mounted industrial computers around our SBC and compute module products;
- Motorola, who market the compute-module-based HALO smart sensor, following their acquisition of our customer IPVideo;
- Schindler, whose next-generation elevator platform uses a Raspberry Pi compute module to drive the in-car touchscreen display; and
- Sharp/NEC, one of our earliest scaled OEM customers, who support a variety of compute modules as embedded compute options for their digital signage platforms.

Other notable application domains and clients include agricultural technology, aerospace, audio, automotive, digital signage, EV infrastructure, gaming, industrial automation, IoT gateways, medical and healthcare, retail and point of sale, RF ID, smart home, sensor technology, and thin clients. While we have in recent years engaged in limited OEM-focused outbound market development, due to the long development cycle typical of OEM design wins, our relationships with many customers predate that.

While direct-to-OEM sales require greater investment by us from a working capital perspective, it has historically been rewarded by up to three times the unit gross profit compared with the royalties earned through our Licensee. We also benefit from closer interaction with OEMs served via this route, which allows us to learn more about these customers’ needs, and to cross-sell other products and services, including custom products. It also gives us more flexibility to set price points outside of the standard range, as well as better visibility and more precise control of the supply chain. The direct-to-OEM channel accounted for 12 per cent. of SBC and compute module unit sales in 2023.

### **Competition**

Our principal competitors in the I&E space are established brand-name manufacturers of industrial SBCs and compute modules, including Beckhoff, Rockwell Automation, Advantech, Lanner, Toradex, Variscite, Kontron and Adlink. In the E&E space, our competitors include Radxa, Arduino, Orange Pi, and Espressif. In addition, our products are potential substitutes for a variety of products, from conventional PCs to hobbyist and educational electronic products.

Certain specific products, such as the NanoPi, Rock V, Orange Pi Zero, ASUS Tinker Board S, Orange Pi 4 Linux and Banana Pi M4, have at times been cited as potential competitors to us. Few of these products have historically been able to match our price/performance point, and all lack the comprehensive, optimised and mature software stack that we believe would be necessary for them to provide meaningful competition in the medium term.



## Community management and social media

Community members are our most effective advocates, and community advocacy has been a key driver of adoption of Raspberry Pi products in the absence of a traditional sales force. We devote considerable effort to creating content for our community, to interacting with community members across a broad range of third-party social platforms, and to moderating interactions on our first-party platforms.

As we continue to grow, we will aim to build appealing content around our hardware and, importantly, software products and to meet previously under-served needs, such as those of non-expert home hobbyists and professional users.

### *First-party channels*

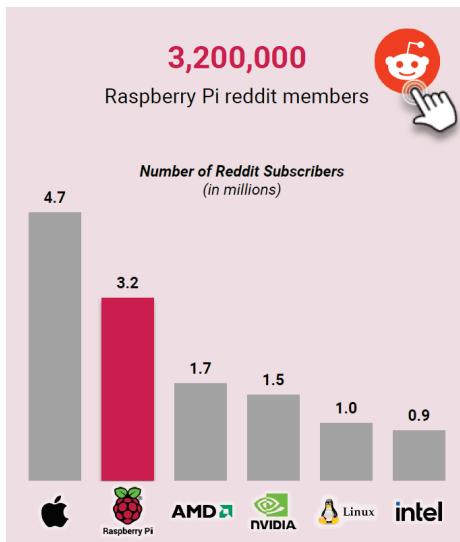
We operate three key digital channels:

- **News.** Our website attracted more than 50 million page views in 2023 and has evolved from a behind-the-scenes account of the development of our first SBC into a celebration of projects built by our community, and, more recently, of industrial Raspberry Pi applications. Its succinct, accessible style makes for engaging reading. Many journalists use the site as a source for stories and for supporting copy in their own publications.
- **Raspberry Pi Weekly.** Our weekly email newsletter provides a digest of our recently published news content. It has a large and growing readership, with nearly 100,000 subscribers to the final newsletter of 2023.
- **Forums.** Our forums, which had over 2 million total posts by the end of 2023, are a lively and responsive hub for technical questions relating to our products, and the first line of support for both E&E and I&E customers. Careful moderation ensures that users of all abilities can access information and advice from Raspberry Pi engineers and from other forum members, without encountering antisocial behaviour. Many of our most committed volunteers are longstanding forum members who are generous in sharing their considerable expertise and experience.

### *Third-party channels*

While our preference is that discussion of our products occurs on channels which we control, we are committed to interacting with our customers on their preferred third-party platforms, including, as of 1 May 2024, Reddit (3.2 million members of the /r/raspberry\_pi subreddit), Threads (94.5K followers), Facebook (401K followers), Instagram (344k followers), YouTube (154K subscribers) and LinkedIn (102K followers). Across all social media, including blogs and forums, Raspberry Pi and our brands were mentioned over 1.3 million times in total in 2023, or an average of 3,680 times a day.

The following graph illustrates the number of subreddit subscribers we had on Reddit on 8 February 2024, compared to subscribers of the subreddits for notable other technology companies:



### ***Influencer marketing***

We provide pre-release products and limited individual support to a select number of enthusiastic, trusted creators. We work both with creators who are new to our platform but who have already built up a strong, supportive network of followers and with creators who are already making Raspberry Pi content and who appreciate the opportunity to experience our products ahead of launch. We never pay for coverage and do not attempt to control either the way in which our products are presented or the views expressed.

### **Intellectual Property**

Our overall approach to intellectual property focuses primarily on trademarks, design rights, copyrights and patents.

#### ***Trademarks***

We have trademark registrations for the “Raspberry Pi” wordmark in 12 countries and the “Raspberry Pi” logo in 12 countries (in each case counting the EU as a single territory). We employ a monitoring service to detect attempts to register similar marks in jurisdictions where we do not have registrations, so that we can promptly file opposition. In partnership with the Foundation, we have successfully defended two historical cases of attempted bad-faith registration of our marks, in Spain and Turkey. We have no outstanding cases at present. For further information on our Trade Marks and our Trade Mark Licensing Agreement with the Foundation, see Part XVII: “*Additional Information—Material Contracts—Trade Mark Assignment and Licence*”.

#### ***Design registration***

We have registrations covering the physical appearance of the Raspberry Pi 4 in the EU and the UK. We have registrations for the Raspberry Pi 4 case in the EU, the UK and the United States. We have a registration for the Raspberry Pi 400 case and keyboard in the UK. By obtaining these design registrations, we are seeking to obtain an additional level of protection against physically similar workalike products which would otherwise cause customer confusion.

#### ***Copyrights***

In our core SBC and compute module business, we own the copyright in our physical product designs, and in the large elements of the closed-source device firmware which were developed by our employees and contractors. We also own copyrights in our contributions, and many but not all of our contractors’ contributions, to open-source elements of our software stack, including the Linux kernel; however, these are generally released

under permissive licences and are free for others to use. We employ a variety of technical and commercial measures to mitigate the likelihood of copyright infringement, principally the risk that third parties will attempt to clone our proprietary physical products or run our proprietary software on their hardware.

We own the copyright in the source for the various semiconductor intellectual property blocks that we have developed or commissioned from contractors. We own the copyright in our elements of the design of the semiconductor devices we produce, the RP2040 microcontroller and the RP1 I/O controller chip, and the mask work rights (albeit with some restrictions on use) for each completed design.

### ***Patents***

We have a pending UK patent in respect of the general concept and detailed operation of the PIO subsystem contained in the RP2040 microcontroller and the RP1 I/O controller chip.

## **Environmental, Social and Governance**

Democratising technology by providing access to low-cost computers has been at the heart of Raspberry Pi since its inception. By driving down the cost of general-purpose computing, we have lowered the barriers to entry to technology for children and similarly for small businesses.

Our ESG mission is structured around three key pillars.

### ***Pillar 1: Funding the Foundation’s mission to enable young people to realise their full potential through the power of computing and digital technologies***

The Company’s ultimate parent, the Foundation, is a UK-based charity that aims to further the education of young people, particularly in the fields of computer science and related subjects. From the profits we have generated through our operating activities, since 2013 we have distributed approximately \$50 million to the Foundation to fund its charitable work. Since 2021, we no longer make gift-aid donations to the Foundation, and our indirect support of their social mission has been achieved through the payment of a dividend to shareholders in 2022 and, in 2023, through the appreciation of the value of the Foundation’s shares, which it realised in connection with their sale to Sony and Arm.

We have committed to supporting the Foundation’s work in perpetuity, through the provision of low-cost computers. See Part XVII: “*Additional Information—Material Contracts—Trade Mark Assignment and Licence*”.

The long-term goals of the Foundation are:

- **Formal education.** To enable any school to teach students about computing and how to create with digital technologies, by providing the best possible curriculum, resources, and training for teachers;
- **Non-formal education.** To engage millions of young people in learning about computing and how to create with digital technologies outside of school, through online resources and apps, clubs, competitions, and partnerships with youth organisations; and
- **Research.** To deepen its understanding of how young people learn about computing and how to create with digital technologies, and to use that knowledge to increase the impact of our work and advance the field of computing education.

Figures published by the Foundation in its 2022 Annual Report showed that in that year: over 3.1 million learners engaged with its online projects; it supported over 35,000 educators in its online teacher training courses; over 14,500 learners and 725 teachers in England engaged in its four-year Gender Balance in Computing research programme; and 12,928 schools in England downloaded the Foundation’s resources.

Other examples of the Foundation's work include:

- The European Astro Pi Challenge: an opportunity for young people to write programmes that are run on Raspberry Pi computers on board the International Space Station (with over 100,000 young people having run their own programs on board the International Space Station through 2022); and
- The Raspberry Pi Computing Education Research Centre: a joint initiative between the University of Cambridge and the Foundation, through which the Foundation aims to increase understanding of what works in teaching and learning computing.

### ***Pillar 2: Leading the world in low-power computing with the smallest resource footprint***

Raspberry Pi computers are more efficient to manufacture, and consume less energy, than legacy desktop and embedded PCs. Compared to a traditional desktop PC, a Raspberry Pi requires:

- over 90 per cent. less wastewater during PCB manufacture: The largest component in a Raspberry Pi by mass is the PCB. PCB production requires large amounts of water: estimates place usage at around 1.5m<sup>3</sup> of water per 1m<sup>2</sup> of PCB area. The area of the single PCB in a Raspberry Pi is much smaller than the aggregate area of the many PCBs (motherboard, memory, graphics, storage etc) in a traditional microATX desktop PC, which translates directly into a reduction in water usage;
- 98 per cent. less shipping volume: Raspberry Pi products are lightweight and ship in volumetrically efficient packaging. Due to their small size, it is possible to ship at least 80 Raspberry Pi units in the same volume as one micro-ATX sized PC, with a correspondingly lower carbon footprint; and
- at least 85 per cent. less electrical power during normal operation and at least 70 per cent. less power at idle compared to a typical laptop or desktop PC.

We engage in various first- and third-party programmes to reduce our resource footprint. Representative examples include:

#### *Long-term support*

We continue to provide support for all our previous models of Raspberry Pi: modern software releases still run on the original Raspberry Pi 1 Model B launch hardware from 2012. This reduces obsolescence, and therefore working units retired unnecessarily.

#### *Raspberry Pi 400 kit volumetric optimisation*

The Raspberry Pi 400 kit contains everything needed to get started with our Raspberry Pi 400 all-in-one PC (minus a monitor). At launch, we observed that the relatively low packing density of components inside kits, kits into shippers, and shippers onto pallets, was impacting the economics of the product and increasing carbon emissions. Over a period of months, we iteratively redesigned the package to be more sustainable while also reducing shipping costs. Through a more compact arrangement of the kit contents and simplification of the design, we were able to reduce the kit volume by 30 per cent. and the amount of card used by 12 per cent. A pallet now holds 270 units, versus 216 for the original design.

#### *Idle power reduction*

At launch, a Raspberry Pi 4 consumed approximately 3W of power when idle. Through a combination of software optimisation and hardware improvements, we reduced this figure to less than 2W in the first two years on sale. Given a lifetime volume estimate of 20 million units, with each unit powered but idle 50 per cent. of the time, this saving equates to a saving of 88GWh, or 20,400 tons of carbon emissions per year, given the current UK electricity generation mix. A similar effort is now being applied to Raspberry Pi 5, following its launch in September 2023.

### *Supply chain*

Approved Raspberry Pi suppliers and major resellers are contractually required to adhere to our Supply-Chain Code of Conduct.

Our key manufacturing partner, Sony, was ranked by the Wall Street Journal in 2021 as the world's third-most sustainably managed business.

### *Our carbon footprint*

Internally, we have various initiatives to ensure we minimise our own use of scarce resources and limit our carbon emissions. These include a bike-to-work scheme and electric vehicle charging points.

In October 2021, our headquarters, located at 194 Science Park in Cambridge, upgraded its building management software to help monitor and reduce its carbon footprint. The building has a zero waste-to-landfill policy, with waste streams segregated at the source, and uses an LED smart lighting system and 100 per cent. renewable energy. An 84kW photovoltaic array and 24 22kW EV chargers are set to be installed in 2024.

### ***Pillar 3: Enabling the developing world***

As part of our commitment to democratising technology, we seek to ensure people anywhere in the world can have access to a Raspberry Pi, including those in developing nations.

If we assume a budget for computing devices of 2 per cent. of average per capita disposable income, the low cost of a Raspberry Pi would mean that, using 2021 data, the median household in 156 countries around the world could access computing. Only 58 countries' median household incomes make it affordable to do so via a traditional desktop PC.

We actively support the onboarding of resellers in developing nations. We currently have 11 resellers in Central and South America, 7 resellers in developing countries in Asia, and 17 resellers in Africa. We are also working with the Foundation in Africa and India to expand the market presence of our respective organisations, which activities are supported by a grant to the Foundation from our shareholder, Ezrah.

### **Property**

While we do not own any property, we lease four properties: an office on Cowley Road, an office at 194 Science Park, and a shop in the Grand Arcade, all of which are in Cambridge, England, and our warehouse in Suffolk. The Cowley Road office occupies 7,648 square feet on the first floor of the Maurice Wilkes Building in the St John's Innovation Park. Its lease is for a term of 15 years from 3 September 2018 with an option for us to break the lease after 10 years. The 194 Science Park office occupies approximately 28,000 square feet in the Cambridge Science Park. Its lease expires in 2029. The 194 Science Park office accommodates the majority of our staff, including the engineering team, administration and most of the commercial and communications teams.

We are party to an agreement (considered to be a lease for accounting purposes) with a third party that provides stock storage and handling services at a 17,000 square foot warehouse in Suffolk. This agreement is subject to yearly renewal. We also have agreements to warehouse stock at the Sony Facility and at a United Worldwide Logistics warehouse located near the Sony Facility in Pencoed. There is no minimum term for these agreements.

### **Employees**

The following table sets out our average number of employees for each of the years ended 31 December 2021, 2022 and 2023:

Average number of employees in the period	Year ended 31 December		
	2021	2022	2023
Engineering .....	39	44	50
Sales and Product Management .....	14	16	21
Marketing and Communications .....	8	10	11
Publishing .....	10	10	5
General and Administrative.....	10	12	12
Retail .....	4	4	4
	<b>85</b>	<b>96</b>	<b>103</b>

As at 31 December 2023, our employees were primarily located at our premises in Cambridge, UK. In addition, we have six employees located in the United States. We have never experienced a labour-related work stoppage.

Our culture aims to create an environment where our team feel valued, and where entrepreneurial mindsets are encouraged and creativity and autonomy is not unnecessarily constrained by corporate policies and structures. We are proud that since inception in 2012, we have retained nearly 100 per cent. of our engineering talent and only a very small proportion of other employees have left the business. We are an inclusive team, with little hierarchy, where diverse thought and viewpoints are encouraged, and we believe that our employee retention levels are a testament to our culture and ethos.

Our management team are primarily engineers by training, and a significant number of our engineers have MBAs and/or PhDs.

We support the mental, social, physical and financial well-being of our teams throughout the world, providing upper-quartile pay and benefits including private health. We support the professional development of our employees and make substantial contributions towards the cost of role-relevant tuition.

We strive to hire employees who have strong ethical standards. We have up-to-date policies, including anti-corruption and anti-bribery policies, and provide ongoing training to support our employees in high standards of business conduct. We are a values-led organisation, and aspire to treat one another, and all our external stakeholders, with respect and dignity.

## Insurance

The principal risks covered by our insurance policies relate to product and environmental liability insurance, credit risk insurance, professional indemnity insurance, directors' and officers' liability insurance, property insurance, cyber insurance, corporate travel insurance, collective accident insurance and legal protection insurance, as is consistent with customary practice for the type of businesses we operate. Certain of our inventories at the Sony Facility are insured for loss primarily by Sony's insurance policies, under which we are a beneficiary in respect of our inventories, and we maintain limited supplemental coverage over these inventories. We believe that our insurance coverage, including the excesses set, maximum coverage amounts and terms and conditions of the policies, are standard for our industry and are appropriate. However, there are no guarantees that we will not incur any losses or be subject to claims that exceed the maximum coverage amount or otherwise will not fall within the terms and conditions of our existing policies. Following Admission, we intend to monitor and review our insurance coverage. For a discussion of the risks relating to our insurance,

see Part II: “*Risk Factors—Risks related to our business and industry—Our insurance coverage may not be adequate to compensate for any disruptions to our operations or loss of business.*”

### **Information Technology**

We rely on IT systems and networks to support business processes as well as for internal and external communications. Our key IT systems include cloud-based productivity, accounting and inventory management systems, as well as chip and board design software. We are also commissioning a new enterprise resource planning system. We have established disaster recovery processes and maintain backups in respect of local systems.

### **Legal Proceedings**

There are no current, nor have there been, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the Company or the Group’s financial position or profitability.



## PART IX

### DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

#### Directors

The following table lists the names, ages, positions and dates of appointment of the Directors:

Name	Age	Position	Date appointed
Martin Hellawell	59	Independent Non-Executive Chair	2 June 2024
Dr Eben Upton CBE	46	Chief Executive Officer and Founder	12 March 2024
Richard Boulton	58	Chief Financial Officer	12 March 2024
Sherry Coutu CBE	60	Senior Independent Non-Executive Director	2 June 2024
David Gammon	63	Independent Non-Executive Director	2 June 2024
Rachel Izzard	50	Independent Non-Executive Director	2 June 2024
Christopher Mairs CBE	67	Independent Non-Executive Director	2 June 2024
Daniel Labbad	52	Non-Executive Director	2 June 2024

The business address of each of the Directors is 194 Cambridge Science Park, Milton Road, Cambridge, CB4 0AB, United Kingdom.

#### *Director Biographies*

The management expertise and experience of each of the Directors is set out below:

##### **Martin Hellawell – Independent Non-Executive Chair**

Martin joined the Existing Group in July 2019 as non-executive chair and was appointed to the Board of Directors on 2 June 2024.

He is chair of musicMagpie PLC and chair of Gamma Communications Plc, and was formerly senior independent director at Team17 PLC, both AIM listed organisations. He was also formerly chair of Softcat PLC, a leading FTSE 250 organisation.

Martin was previously managing director and then chief executive of Softcat between 2006 and 2018 and was chief executive when Softcat listed on the London Stock Exchange in 2015.

In his earlier career Martin spent 13 years at Computacenter plc, where he was responsible for the marketing function, ran Computacenter's French subsidiary and led acquisitions in the United Kingdom, Belgium and Germany. He was part of Computacenter's initial public offering team in 1998.

Martin has a BA degree in Management and French from Lancaster University.

**Dr Eben Upton CBE – *Chief Executive Officer and Founder***

Dr Eben Upton CBE DFBCS FREng is a founder of the Foundation and serves as the CEO of the Group. He was elected to the Fellowship of the Royal Academy of Engineering in 2017, appointed a Distinguished Fellow of the British Computer Society in 2019, and elected an Honorary Fellow of St John's College, Cambridge in 2020. He was appointed Commander of the Order of the British Empire (CBE) for services to business and education in 2016. He was previously a Technical Director and Distinguished Engineer with fabless semiconductor company Broadcom, and co-founder and CTO of mobile games and middleware vendor Ideaworks3D. From 2004 to 2007 he held the post of Director of Studies for Computer Science at St John's College. He holds a BA in Physics and Engineering, a Diploma in Computer Science, a PhD in Computer Science, and an MBA from the University of Cambridge. He is a member of the UK Semiconductor Advisory Panel and Prime Minister's Business Council.

**Richard Boulton – *Chief Financial Officer***

Richard joined the Existing Group as chief financial officer in October 2019 and was appointed to the Board of Directors on 12 March 2024.

He was previously the chief financial officer of Dovetail Games Limited, having previously served as the chief financial officer of Time Out Group plc at the time of its IPO and subsequently until March 2018. He was previously group finance director at BCA Marketplace plc, including at the time of its listing on the main market of the London Stock Exchange.

Prior to joining BCA Marketplace, Richard held a number of senior finance roles at both group and divisional levels in major listed companies, including Wolseley plc, Darty plc and 21<sup>st</sup> Century Fox Inc.

Richard holds an MA in Computer Science from the University of Cambridge and qualified as a Chartered Accountant with PricewaterhouseCoopers LLP in London.

**Sherry Coutu CBE – *Senior Independent Non-Executive Director***

Sherry joined the Existing Group in December 2012 as a non-executive director and was appointed to the Board of Directors on 2 June 2024. She is a former trustee of the Foundation.

Sherry has 30 years of experience serving on the boards of companies, charities, government departments and universities, focusing on consumer digital, business information services, and education.

As an entrepreneur, Sherry founded Interactive Investor International plc, Founders4Schools, Digital Boost and the Scale-Up Institute. She is a non-executive director at Pearson plc, the world's largest learning company, where she chairs the remuneration committee and serves on the nomination and governance committees. Previous plc board experience includes RM plc where she was senior independent director, London Stock Exchange Group plc and Zoopla plc where she chaired the remuneration committees.

She was commissioned by the UK government to author the Scaleup Report on UK Economic Growth, was awarded a CBE for services to entrepreneurship, and has four honorary PhD's, one MSc in economics from the London School of Economics and an MBA from Harvard Business School.

**David Gammon – *Independent Non-Executive Director***

David joined the Existing Group in September 2016 as a non-executive director and was appointed to the Board of Directors on 2 June 2024.

David has over 15 years' experience as an investment banker, having worked for Baring Securities, Salomon Brothers, Robert Fleming & Co, Challenger East and Credit Lyonnais. Since 2001, David has focused on developing, advising and investing in disruptive high growth technology companies. In 1988, David founded Rockspring, an advisory and investment firm, where he continues to be CEO today. In 2017, David was elected an Honorary Fellow of the Royal Academy of Engineering. David's previous experience includes advisory roles

at Thought Machine Limited and Marshall of Cambridge Holdings Limited. He held non-executive directorships at DeepMind Technologies Limited, Accesso Technology Group plc, Ubisense Trading Limited, Amino Technologies plc, bGlobal plc, and was chairman of Frontier Developments plc and acting CFO at internet specialist Envisional Solutions Limited. David is also a non-executive chairman of Wild Hydrogen Limited and non-executive director of L'Escargot Sur Mer Limited. He acts as an adviser to IQ Capital Partners LLP and has been a member of the Access to Finance and Growth Capital Committee of the Scale Up Institute since 2015.

**Rachel Izzard – *Independent Non-Executive Director***

Rachel joined the Existing Group in 2022 as a non-executive director and was appointed to the Board of Directors on 2 June 2024.

Since June 2023, Rachel has been the chief financial officer at the Co-op and is an executive director on the Co-op Group board.

Before joining the Co-op, Rachel was chief financial officer at N Brown PLC, the UK fashion digital retailer, with a previous 25 years of experience in airlines and logistics including as chief financial officer of Aer Lingus and chief financial officer at IAG Cargo, where she co-founded the business from the divisions of British Airways and Iberia, as well as a range of roles overseas in Sydney, Hong Kong and New York after starting out on the BA graduate programme.

Rachel holds an honours degree in Astrophysics from Birmingham University and is also a chartered management accountant.

**Christopher Mairs CBE – *Independent Non-Executive Director***

Christopher joined the Existing Group in 2019 as a non-executive director. He was appointed to the Board of Directors on 2 June 2024.

Christopher is an angel investor focused on deep tech and a venture partner at Entrepreneur First. He is also chair of Undo Carbon and a former trustee of the Foundation.

Christopher was a co-founder and chief technology officer of Metaswitch Networks, a cloud-based communications company backed by Sequoia Capital and Northgate Capital, which was acquired by Microsoft in May 2020. He was also chairman of Magic Pony Technology until it was acquired by Twitter in 2016.

Christopher is a Fellow of the Royal Academy of Engineering, an Honorary Fellow of Churchill College, Cambridge and was awarded a CBE in the 2014 New Year's Honours List.

**Daniel Labbad – *Non-Executive Director***

Daniel joined the Existing Group in 2021 as a non-executive director and was appointed to the Board of Directors on 2 June 2024.

Since December 2019, Daniel has been the Chief Executive and an executive board member at The Crown Estate. He is a former trustee of the Foundation.

Prior to The Crown Estate, Daniel held a number of positions at the global property and infrastructure group Lendlease, including group chief operating officer and the dual roles of chief executive officer, international operations and chief executive officer, Europe to oversee the expansion of Lendlease's businesses in Europe, the Americas and Asia. Daniel has previously served as a director of the Green Building Council of Australia and more recently as chairman of the UK Green Building Council. Daniel holds a first class honours degree in Engineering (Civil) from the University of Technology Sydney and a Masters in Business Administration from the University of NSW.

## Senior Management Team

Our senior management team is as follows:

Name	Age	Position
Dr Eben Upton CBE	46	Chief Executive Officer & Founder
Richard Boulton	58	Chief Financial Officer
James Adams	44	Chief Technical Officer (Hardware)
Mike Buffham	63	Chief Commercial Officer
Dr Gordon Hollingworth	52	Chief Technical Officer (Software)
Carol Copland	50	General Counsel and Company Secretary

The business address of each of the members of the senior management team is 194 Cambridge Science Park, Milton Road, Cambridge, CB4 0AB, United Kingdom.

### *Senior Manager Biographies*

For the biographies of Dr Eben Upton CBE and Richard Boulton, please see “*Directors*” above.

#### **James Adams – Chief Technical Officer (Hardware)**

James Adams joined the Existing Group in March 2013 and has held various key roles within Cambridge-based technology companies. He co-founded the team within Broadcom that created the VideoCore 3D graphics accelerator intellectual property and, as one of its first employees, helped to grow the start-up Argon Design Ltd, which was later sold to Broadcom. James also co-founded FiveNinjas, a media player start-up which ran a successful Kickstarter campaign in 2014, and worked for engineering consultancy Alphamosaic Ltd.

Since March 2013, James has served as Raspberry Pi hardware lead. He served as the Existing Group’s Chief Operating Officer from September 2015 to September 2023, and since September 2023 he has served as Chief Technical Officer for hardware.

James holds a Masters with honours in Electrical and Electronic Engineering from Imperial College of Science, Technology and Medicine and an Executive MBA from the Judge Business School at Cambridge University.

#### **Mike Buffham – Chief Commercial Officer**

Mike Buffham joined the Existing Group in December 2016 and has served as Chief Commercial Officer since September 2020, leading our commercial activities and global sales strategy. He has nearly 40 years’ experience in senior roles in the electronics industry, including with Premier Farnell between 2009 and 2016 (acting as Global Head of Product & Pricing between 2013 and 2016) and with Arrow Electronics between 1993 to 2009 (acting as Vice President of Marketing and Product Management, EMEA between 2007 and 2009).

Mike holds a foundation degree in Living with Technology from the Open University.

#### **Dr Gordon Hollingworth – Chief Technical Officer (Software)**

Gordon Hollingworth joined the Existing Group in January 2013 to lead software engineering activities and has extensive experience in software engineering within the semiconductor industry. Gordon was previously a software engineering manager at Broadcom and a senior consultant at The Technology Partnership prior to his time at Broadcom. Gordon holds a first class Masters in electronic engineering from the University of York, a PhD in self-organising electronics, and an executive MBA from the University of Cambridge Judge Business School.

### ***Carol Copland – General Counsel and Company Secretary***

Carol Copland joined the Existing Group as a consultant in July 2018 and serves as General Counsel. She also served as the general counsel of the Foundation from 2018 to 2023. Carol has over 20 years of legal experience, including as a partner at Gunnercooke LLP, chief legal officer and director at Metaswitch Networks, director of legal and corporate affairs at The Qualifications and Curriculum Authority and the Examinations and Appeals Board and an associate at Linklaters LLP. She is currently chair of The Lumos Foundation and the Berkhamsted Schools Group, as well as a fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce.

## **Corporate Governance**

### ***UK Corporate Governance Code***

The Board of Directors is committed to the highest standards of corporate governance. As of the date of this Prospectus, and on and following Admission, the Board of Directors complies, and intends to continue to comply, with the requirements of the UK Corporate Governance Code.

The Company will report to its Shareholders on its compliance with the UK Corporate Governance Code in accordance with the Listing Rules.

As envisaged by the UK Corporate Governance Code, the Board of Directors has established three committees: an Audit Committee, a Nomination Committee and a Remuneration Committee. The Board of Directors has also established a Disclosure Committee. If the need should arise, the Board of Directors may establish additional committees as appropriate.

The UK Corporate Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chair, should comprise non-executive directors determined by the Board of Directors to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. As of the date of this Prospectus, the Board of Directors consists of six non-executive Directors (including the non-executive Chair) and two Executive Directors. The Company regards all of the Non-Executive Directors, other than Daniel Labbad, as "independent non-executive directors" within the meaning of the UK Corporate Governance Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Sherry Coutu CBE joined the Existing Group in December 2012 as a non-executive director. In light of the provisions of the UK Corporate Governance Code in respect of independence, including board tenure, the Board of Directors has considered Sherry Coutu CBE's role and has concluded that she demonstrates independence and continues to give effective counsel.

The UK Corporate Governance Code recommends that the board of directors of a company with a premium listing on the Official List of the FCA should appoint one of the Non-Executive Directors to be the Senior Independent Director to provide a sounding board for the chair and to serve as an intermediary for the other directors when necessary. The Senior Independent Director should be available to shareholders if they have concerns which contact through the normal channels of the Chair or the Executive Directors has failed to resolve or for which such contact is inappropriate. Sherry Coutu CBE has been appointed Senior Independent Director.

The UK Corporate Governance Code further recommends that directors should be subject to annual re-election. The Company intends to comply with these recommendations.

### ***Audit Committee***

The Audit Committee has responsibility for, among other things, the monitoring of the financial integrity of the Company's financial statements, the review of its internal financial controls and the monitoring and review of its external audit process.

The UK Corporate Governance Code recommends that an audit committee comprise at least three members who are independent non-executive directors and include one member with recent and relevant financial experience. The Audit Committee is chaired by Rachel Izzard, and its other members are David Gammon and Sherry Coutu CBE. The Audit Committee will meet not less than three times a year.

### ***Nomination Committee***

The Nomination Committee assists the Board of Directors in determining the composition and make-up of the Board of Directors, the board committees, and the chair of each board committee. It is also responsible for periodically evaluating the balance of skills, experience, independence and knowledge on the Board of Directors. It leads the process for Board of Directors appointments and makes recommendations to the Board of Directors, taking into account the challenges and opportunities facing the Company in the future.

The UK Corporate Governance Code recommends that a majority of the members of a nomination committee should be independent non-executive directors. The Nomination Committee is chaired by Martin Hellawell, and its other members are Christopher Mairs CBE and David Gammon. The Nomination Committee will meet not less than once a year.

### ***Remuneration Committee***

The Remuneration Committee assists the Board of Directors in determining its responsibilities in relation to remuneration, including making recommendations to the Board of Directors on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of its remuneration policy and determining the individual remuneration and benefits package of each of its Executive Directors and the Company Secretary.

The UK Corporate Governance Code provides that a remuneration committee should comprise at least three members, all of whom should be independent non-executive directors. The chair of the Board of Directors may also be a member of, but not chair, the Remuneration Committee if he or she was considered independent on appointment. The chair of the Board of Directors is required to have sat on a remuneration committee for 12 months, and the Company is required to comply or explain once a chair is appointed. The Remuneration Committee will be chaired by Sherry Coutu CBE, and its other members are Christopher Mairs CBE and Rachel Izzard. The Remuneration Committee will meet not less than twice a year.

### ***Disclosure Committee***

The Board of Directors has established the Disclosure Committee to ensure timely and accurate disclosure of all information that is required to be so disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London Stock Exchange, including the Listing Rules, the Disclosure Guidance and Transparency Rules and the UK Market Abuse Regulation. The Disclosure Committee will meet at such times as shall be necessary or appropriate, as determined by the chair of the Disclosure Committee or, in his or her absence, by any other member of the Disclosure Committee. The Disclosure Committee must have at least three members. The members of the Disclosure Committee are the Chief Executive Officer (Chair), the Chairman, the Chief Financial Officer and the General Counsel and Company Secretary.

### ***Sustainability Committee***

The Sustainability Committee is a subcommittee of the Board of Directors that is responsible for ensuring that we follow best practices for small- and medium-size enterprises in embedding sustainability in the delivery of our strategy and operations. The Sustainability Committee will be chaired by Christopher Mairs CBE, and its other members are Sherry Coutu CBE and James Adams.

### ***Share Dealing***

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares and a policy with respect to entry into transactions with persons related to the Company which aids compliance with the Market Abuse Regulation and will apply to the Directors and other relevant employees of the Company.

### ***Relationship Agreements***

The Company has entered into relationship agreements with the Foundation and the Principal Shareholder (the “Foundation Relationship Agreement”), and with Ezra (the “Ezra Relationship Agreement”). The principal purpose of each of these agreements is to ensure that the Company will be able, at all times, to carry out its business independently of the Foundation, the Principal Shareholder and Ezra and their respective associates and that all transactions and relationships between the Company and the controlling shareholders are at arm’s length and on a normal commercial basis. See paragraph 14.2 of Part XVII: “*Additional Information—Material contracts—Relationship Agreements*” for a more detailed description of the terms of the Relationship Agreements.

For so long as the Company has a controlling shareholder, the election of any independent director must be approved by separate resolutions of (i) the Shareholders and (ii) the Shareholders excluding any controlling shareholder. If either of the resolutions is defeated, the Company may propose a further resolution to elect or re-elect the proposed independent director which (a) may be voted on within a period commencing 90 days and ending 120 days from the original vote and (b) may be passed by a vote of the Shareholders voting as a single class. Furthermore, in the event that the Company wishes the FCA to cancel the listing of the Shares on the premium segment of the Official List or transfer the Shares to the standard listing segment of the Official List, the Company must obtain at a general meeting the prior approval of (y) a majority of not less than 75 per cent. of the votes attaching to the Shares voted on the resolution and (z) a majority of the votes attaching to the Shares voted on the resolution excluding any Shares voted by a controlling shareholder. In all other circumstances, the Principal Shareholder and Ezra has, and will have, the same voting rights attached to the Shares as all other Shareholders.

### ***Conflicts of interest***

Save for their capacities as persons legally and beneficially interested in Shares as set out in paragraph 8 of Part XVII: “*Additional Information—Interests of the Directors and Senior Management*” and save for the appointment of Daniel Labbad, as representative of the Foundation (through the Principal Shareholder), pursuant to the terms of the Foundation Relationship Agreement (see paragraph 14.2 of Part XVII: “*Additional Information—Material contracts—Relationship Agreements*”), there are (i) no actual or potential conflicts of interest between any duties owed to the Company by the Directors and members of senior management and their private interests and/or other duties; and (ii) no arrangements or understandings with the Principal Shareholder, any other major shareholders, customers, suppliers or others pursuant to which any Director or member of senior management was selected.



## PART X

### SELECTED FINANCIAL AND OPERATING INFORMATION

*The selected consolidated financial information set out below has been extracted, without material adjustment, from Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: “Historical Financial Information”. The non-IFRS financial and operating data set out below has been calculated on the basis set out in Part III: “Presentation of Information”. The selected financial and operating information presented below should be read in conjunction with Part XI: “Operating and Financial Review”. Investors should read the whole of this Prospectus before making an investment decision and not rely solely on the summarised information in this Part X. Unless otherwise indicated, the financial information contained in this Part X has been presented in U.S. dollars.*

#### Consolidated income statement

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
Revenue.....	140,587	187,859	265,797
Cost of sales .....	(98,670)	(145,579)	(199,842)
<b>Gross profit</b> .....	<b>41,917</b>	<b>42,280</b>	<b>65,955</b>
Administrative expenses .....	(11,793)	(13,794)	(17,650)
Research and development expenses .....	(11,124)	(9,251)	(10,582)
Foreign exchange (losses)/gains.....	(272)	833	(191)
Other operating income.....	37	—	—
<b>Operating profit</b> .....	<b>18,765</b>	<b>20,068</b>	<b>37,532</b>
Finance income .....	—	49	1,443
Finance costs.....	(292)	(29)	(779)
<b>Profit before taxation</b> .....	<b>18,473</b>	<b>20,088</b>	<b>38,196</b>
Taxation.....	(3,622)	(3,021)	(6,624)
<b>Profit for the year and total comprehensive income ...</b>	<b>14,851</b>	<b>17,067</b>	<b>31,572</b>

## Consolidated statement of financial position

	As of 31 December		
	2021	2022	2023
		(\$'000)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets.....	25,807	35,535	58,634
Property, plant and equipment.....	3,559	3,721	5,078
Right of use assets .....	1,679	1,387	6,719
Other assets.....	—	—	2,698
<b>Total non-current assets.....</b>	<b>31,045</b>	<b>40,643</b>	<b>73,129</b>
<b>Current assets</b>			
Inventories .....	40,576	47,889	108,057
Trade and other receivables .....	20,734	26,027	39,760
Cash and cash equivalents .....	34,429	32,843	42,207
Current tax asset .....	—	—	2,201
<b>Total current assets.....</b>	<b>95,739</b>	<b>106,759</b>	<b>192,225</b>
<b>Total assets .....</b>	<b>126,784</b>	<b>147,402</b>	<b>265,354</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables .....	(22,543)	(26,494)	(81,190)
Provisions .....	—	—	(445)
Lease liabilities .....	(165)	(263)	(1,252)
Current tax liability.....	(390)	(762)	—
<b>Total current liabilities.....</b>	<b>(23,098)</b>	<b>(27,519)</b>	<b>(82,887)</b>
<b>Non-current liabilities</b>			
Lease liabilities .....	(1,951)	(1,359)	(5,828)
Deferred tax liabilities .....	(6,214)	(7,673)	(10,244)
Other long term liabilities .....	—	(3,700)	(6,425)
Provisions .....	—	—	(756)
<b>Total non-current liabilities .....</b>	<b>(8,165)</b>	<b>(12,732)</b>	<b>(23,253)</b>
<b>Total liabilities.....</b>	<b>(31,263)</b>	<b>(40,251)</b>	<b>(106,140)</b>
<b>Net Assets .....</b>	<b>95,521</b>	<b>107,151</b>	<b>159,214</b>
<b>Equity</b>			
Share capital .....	—	—	—
Share premium.....	44,912	44,931	65,395
Retained earnings .....	48,892	60,914	92,486
Share-based payment reserve.....	1,717	1,306	1,333
<b>Total equity .....</b>	<b>95,521</b>	<b>107,151</b>	<b>159,214</b>

## Summary consolidated statement of cash flows

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
Net cash generated from operating activities .....	510	14,339	16,485
Net cash used in investing activities .....	(7,380)	(10,745)	(23,098)
Net cash generated from/(used in) financing activities.....	40,249	(5,499)	15,837
<b>Net increase/(decrease) in cash and cash equivalents ..</b>	<b>33,379</b>	<b>(1,905)</b>	<b>9,224</b>

## Non-IFRS Financial Data

The following measures for the years ended 31 December 2021, 2022 and 2023 are used to monitor and manage financial performance. These measures are non-IFRS measures that are not calculated in accordance with UK adopted IFRS. For more information regarding the non-IFRS measures, see Part III: “*Presentation of Information—Presentation of Financial Information—Alternative Performance Measures*”.

	For the year ended 31 December		
	2021	2022	2023
		(unaudited)	
Adjusted administrative expenses (\$ millions) <sup>(1)</sup> .....	7.9	9.6	14.6
Adjusted EBITDA (\$ millions) <sup>(2)</sup> .....	25.7	26.4	43.5
Adjusted EBITDA margin (%) <sup>(3)</sup> .....	18	14	16
Adjusted net income (\$ millions) <sup>(4)</sup> .....	17.9	18.3	31.1
Adjusted net income margin (%) <sup>(5)</sup> .....	13	10	12
Adjusted operating profit (\$ millions) <sup>(6)</sup> .....	21.9	21.3	37.1
Adjusted operating profit margin (%) <sup>(7)</sup> .....	16	11	14
Adjusted research and development expenses (\$ millions) <sup>(8)</sup> .....	8.1	7.1	7.7
ASP of SBCs and compute modules (\$) <sup>(9)</sup> .....	37.7	38.1	40.6
<i>ASP of SBCs and compute modules sold via Licensees (\$)</i> .....	49.7	52.1	62.7
<i>ASP of SBCs and compute modules sold via direct distribution channel (\$)</i> .....	19.6	31.4	35.7
Cash conversion (%) <sup>(10)</sup> .....	9	63	54
Unlevered free cash flow <sup>(11)</sup> .....	(4.9)	6.0	0.5
Unlevered free cash flow cash conversion (%) <sup>(12)</sup> .....	(19)	23	1
Unlevered free cash flow (post-tax) <sup>(13)</sup> .....	(4.9)	6.0	(4.2)

	For the year ended 31 December		
	2021	2022	2023
	(unaudited)		
Unlevered free cash flow (post-tax) cash conversion (%) <sup>(14)</sup> .....	(19)	23	(10)
Net working capital (\$ millions) <sup>(15)</sup> .....	39	47	70
Unit gross profit per SBC and compute module (\$) <sup>(16)</sup> ....	4.1	6.2	8.6
Unit gross profit margin per SBC and compute modules as a percentage of ASP <sup>(17)</sup> (%).....	11	16	21
Accessory gross profit per SBC and compute module (\$) <sup>(18)</sup> .....	0.8	0.9	0.6

Notes:

- (1) Adjusted administrative expenses are calculated as administrative expenses before depreciation and excluding the impact of share-based payments and significant non-recurring items. The table below reconciles adjusted administrative expenses to administrative expenses for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	2022	2023
	(\$'000)		
	(unaudited)		
	2021	2022	2023
Administrative expenses .....	11,793	13,794	17,650
Depreciation and loss on asset disposal* ....	(1,697)	(2,160)	(2,983)
Share-based payments.....	(289)	75	(16)
Other exceptional costs** .....	(1,929)	(2,113)	(21)
Adjusted administrative expenses .....	7,878	9,596	14,630

\* Excludes plant, property and equipment depreciation relating to and included in depreciation and amortisation of research and development assets.

\*\* Other exceptional costs and fees for other services as reporting accountant on financial or other information relate to costs incurred in respect of assurance and advisory costs for preparing RPL for further external investment.

- (2) Adjusted EBITDA is calculated as operating profit before interest, taxes, depreciation and amortisation and excluding the impact of share-based payment charges and material one-off items. The table below reconciles EBITDA and adjusted EBITDA to operating profit for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	2022	2023
	(\$'000)		
	(unaudited)		
	2021	2022	2023
Operating profit.....	18,765	20,068	37,532

Depreciation, amortisation and loss on asset disposal.....	3,810	5,148	6,374
EBITDA.....	22,575	25,215	43,906
Share-based payment charge/(credit) .....	1,204	(411)	27
Other exceptional costs* .....	1,929	2,113	21
Other operating income.....	(37)	—	—
RDEC.....	—	(490)	(500)
Adjusted EBITDA .....	25,671	26,427	43,454

\* Other exceptional costs and fees for other services as reporting accountant on financial or other information relate to costs incurred in respect of assurance and advisory costs for preparing RPL for further external investment.

- (3) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.
- (4) Adjusted net income is calculated as set out below. The table reconciles adjusted EBITDA to adjusted net income for the years ended 31 December 2021, 2022 and 2023.

**For the year ended 31 December**

	2021	2022	2023
		(\$'000)	
		(unaudited)	
Adjusted EBITDA .....	25,671	26,427	43,454
Depreciation, amortisation and loss on asset disposal.....	(3,810)	(5,148)	(6,374)
Adjusted operating profit .....	21,861	21,279	37,080
Finance (charges)/income .....	(292)	20	664
Corporation tax .....	(3,622)	(3,021)	(6,624)
Adjusted net income .....	17,947	18,278	31,120

- (5) Adjusted net income margin is calculated as adjusted net income divided by revenue.
- (6) Adjusted operating profit is calculated as adjusted EBITDA less depreciation, amortisation and loss on asset disposal. The table below reconciles adjusted operating profit to adjusted EBITDA for the years ended 31 December 2021, 2022 and 2023.

**For the year ended 31 December**

	2021	2022	2023
		(\$'000)	
		(unaudited)	
Adjusted EBITDA .....	25,671	26,427	43,454
Depreciation, amortisation and loss on assets disposal .....	(3,810)	(5,148)	(6,374)
Adjusted operating profit .....	21,861	21,279	37,080

- (7) Adjusted operating profit margin is calculated as adjusted operating profit divided by revenue.
- (8) Adjusted research and development expenses is calculated as research and development expenses excluding the impact of share-based payment charges/credits in respect of research and development staff, depreciation and amortisation of research and development assets and RDEC. The table below reconciles adjusted research and

development expenses to research and development expenses for the years ended 31 December 2021, 2022 and 2023.

For the year ended 31 December			
	2021	2022	2023
		(\$'000)	
		(unaudited)	
Research and development expenses .....	11,124	9,251	10,582
Share based payment (charge)/credit in respect of research and development staff ..	(915)	336	(11)
Depreciation and amortisation of research and development assets .....	(2,113)	(2,990)	(3,391)
Research and development expenditure credit .....	—	490	500
Adjusted research and development expenses .....	8,096	7,087	7,680
(9) ASP of SBCs and compute modules is calculated by applying the MSRP to the number of SBCs and compute modules of each type sold and dividing by the total number of SBC and compute module units sold.			
(10) Cash conversion is calculated as adjusted EBITDA less changes in working capital divided by adjusted EBITDA.			
(11) Unlevered free cash flow is calculated as adjusted EBITDA less change in working capital less capital expenditure.			
(12) Unlevered free cash flow cash conversion is calculated as unlevered free cash flow divided by adjusted EBITDA.			
(13) Unlevered free cash flow (post-tax) is calculated as unlevered free cash flow less taxation paid.			
(14) Unlevered free cash flow (post-tax) cash conversion is calculated as unlevered free cash flow (post-tax) divided by adjusted EBITDA.			
(15) Net working capital is calculated as inventories, prepayment, trade receivables and other receivables less accruals and deferred income, trade payables and other. The table below sets out the components of net working capital for the years ended 31 December 2021, 2022 and 2023.			

For the year ended 31 December			
	2021	2022	2023
		(\$'000)	
		(unaudited)	
Inventory .....	40,576	47,889	108,057
Prepayments and other assets .....	4,588	3,039	5,261
Trade receivables .....	15,201	21,337	30,353
Other receivables .....	945	1,651	6,844
Accruals and deferred income .....	(3,342)	(3,784)	(5,029)
Trade payables .....	(15,177)	(18,004)	(62,354)
Other .....	(4,024)	(4,706)	(13,495)
Net working capital .....	38,767	47,422	69,637
(16) Unit gross profit per SBC and compute module is calculated as the gross profit arising from sales and/or royalties related to all SBCs and compute modules divided by the number of units of all SBCs and compute modules sold in the period.			

- (17) Unit gross profit margin per SBC and compute module as a percentage of ASP is calculated as the unit gross profit per SBC and compute module as divided by ASP.
- (18) Accessory gross profit per SBC and compute module is calculated as the gross profit from the sale of, and royalties, from accessories divided by the total number of SBCs and compute modules sold.

## Operating Data

The following table sets out certain operating data for the years ended 31 December 2021, 2022 and 2023 that we use as key indicators of RPL's operating performance. For more information regarding the operating data we use, see Part III: "Presentation of Information—Presentation of Financial Information—Operating Data".

	For the year ended 31 December		
	2021	2022	2023
		( '000)	
SBC and compute module unit sales....	8,477	6,080	7,393
<i>SBCs and compute modules sold via direct distribution     channel.....</i>	3,662	4,429	6,053
<i>SBCs and compute modules sold via Licensees</i>	4,815	1,651	1,340
RP2040 unit sales.....	1,706	4,324	3,146
Average headcount over the period.....	85	96	103
<i>Engineering headcount.....</i>	39	44	50



## PART XI

### OPERATING AND FINANCIAL REVIEW

*The following discussion is intended to convey our management's perspective on our results of operations and financial condition as at and for the years ended 31 December 2021, 2022 and 2023, reported in accordance with UK adopted IFRS.*

*The following discussion should be read in conjunction with Part XIII: "Historical Financial Information", the related notes and the information relating to our business included elsewhere in this Prospectus. The Historical Financial Information has been prepared in accordance with UK adopted IFRS.*

*The discussion includes forward-looking statements that reflect the current view of our management and involves risks and uncertainties. Our actual results could differ materially from those contained in any forward-looking statements because of factors discussed below and elsewhere in this Prospectus, particularly in Part III: "Presentation of Information—Forward-looking Statements" and Part II: "Risk Factors". Investors should read the whole of this Prospectus and not just rely upon summarised information.*

*Some of the measures used in the discussion and analysis are not measurements of financial performance under UK adopted IFRS and have important limitations as analytical tools. You should not consider them in isolation or as substitutes for analysis of our results as reported under UK adopted IFRS. See Part III: "Presentation of Information—Presentation of Financial Information".*

*The Company was incorporated on 12 March 2024 and, as at the date of this Prospectus, has no historical operations or financial information of its own, any significant assets (other than the share capital of its subsidiaries) or any liabilities. Unless otherwise indicated, the financial information presented in this Prospectus has been extracted or derived from the historical financial information of RPL and its subsidiary undertakings.*

*The selected consolidated financial information in this section has been extracted, or recalculated, based on information derived from the Historical Financial Information, in each case without material adjustment, unless otherwise stated, as well as from internal management data.*

#### Overview

Raspberry Pi is a leading designer and developer of high-performance, low-cost single board computers ("SBCs") and compute modules for industrial IoT customers and embedded uses, as well as for educators and enthusiasts, in markets worldwide. Since we began trading in 2012, we have sold over 60 million SBCs and compute modules, of which 7.4 million were sold in 2023.

We are an established, full-stack engineering organisation, with research and development capabilities (in-house or through strategic partnerships) spanning the entire value chain, from semiconductor intellectual property development, through the design of finished semiconductor and electronic products to software engineering and regulatory compliance. We maintain close working relationships with world-class technology partners, including our strategic shareholders Sony and Arm, leveraging their complementary capabilities in semiconductor intellectual property development, semiconductor and electronic product manufacturing, chip design on advanced process nodes, and radio frequency and power engineering.

Our standard product portfolio primarily comprises SBCs, compute modules, complementary accessories, and semiconductors.

- **SBCs:** We design and develop SBCs for consumers and commercial users, priced from \$4 to \$80 depending on computational performance and DRAM density. Our SBCs provide industry-standard

interfaces, including USB, Ethernet, HDMI, PCI Express, Wi-Fi and Bluetooth, alongside a custom “general-purpose input/output” (“GPIO”) interface for connecting to the physical world.

- **Compute modules:** We design and develop compute modules (also known as system on modules), which consist of the core electronics of a Raspberry Pi SBC, but in a form factor that can be more easily embedded into our customer’s own product designs, priced from \$25 to \$95.
- **Accessories:** To complement our SBCs and compute modules, we design, develop and source a range of Raspberry Pi-branded accessories, including cameras, touchscreen displays, cases, keyboards, audio products, power supplies and cables.
- **Semiconductors:** Our semiconductors currently comprise the RP2040 microcontroller and the RP1 I/O controller chip, which are principally intended for use in our SBCs and compute modules. RP2040 is available for resale to third parties. We are also designing and developing a more advanced family of microcontrollers, RP235x, which we expect to launch in the second half of 2024, as well as chipsets for use in our SBCs and compute modules for release thereafter.

For the year ended 31 December 2023, revenues attributable to the sale of our SBCs, compute modules, and accessories, together with related component sales, comprised 99 per cent. of our total revenue.

We also design, develop, and procure the manufacture of custom hardware and software solutions for some of our largest OEM customers. A custom hardware product may conform to the same physical form factor as a standard product, but with alternative components to optimise it for cost or availability, or it may consolidate the functionality of a standard product and customer-specific circuitry into a single, lower-cost, product, or it may be a clean-sheet design tuned to a customer’s requirements.

In addition, we develop the firmware and kernel which control the low-level operation of our products, and also a complete operating system, Raspberry Pi OS, which is based on the well-established open-source Linux distribution Debian, which provides access to an open-source platform with extensive customisations and additional applications aimed at enhancing ease of use. This is provided free-of-charge to owners of our computers.

Our products are sold to three principal markets:

- the industrial and embedded (“I&E”) market, which in 2023 accounted for 72 per cent. of our SBC and compute module unit sales. The high performance, low cost, and physical robustness of Raspberry Pi products make them suitable for a wide range of embedded applications, including, among others, electric vehicle charging, elevators, escalators and moving walkways, industrial control and automation, sports performance tracking, digital signage, smart buildings, thin clients, and energy management. Embedded customers particularly value reliability, long-term availability, and access to support for design-in activities, including regulatory compliance. We support these customers by developing products that are particularly suitable for integration into end products (such as compute modules), keeping our products in production for periods of up to a decade, and providing engineering assistance, either from ourselves or via our network of Approved Design Partners;
- the enthusiast and education (“E&E”) market, which in 2023 accounted for 28 per cent. of our SBC and compute module unit sales, includes customers in formal and informal education at the school and university levels, as well as makers and hobbyists. The first Raspberry Pi SBC, launched in 2012, was primarily intended for use in education but was rapidly adopted by computer and electronics enthusiasts. This remains both a significant market, and a valuable way of reaching engineers, who often take our platform with them into their professional lives. Enthusiasts value innovation, engagement and community, and rapidly adopt new iterations of our SBC products and accessories; and

- the semiconductor market, which we entered in early 2021 with the launch of our first semiconductor product, the RP2040 microcontroller, which is a key component of our Raspberry Pi Pico, and which is also used by third parties for deep embedded computing applications.

Raspberry Pi products are available in 75 countries around the world. We employ a flexible hybrid distribution model that allows us to (i) sell units through our direct distribution channel to our global network of over 100 ARs ('direct-to-AR'), and directly to more than 500 of our largest OEM customers ('direct-to-OEM') and (ii) license our designs to our Licensee, Premier Farnell, which independently arranges for the manufacture and sale of our products, and then pays a per-unit royalty to us. In 2023, we sold 82 per cent. of our SBCs and compute modules through the direct distribution channel, with the balance being sold through the licensee channel.

We also operate a publishing business, Raspberry Pi Press, which produces magazines and books, as well as the Raspberry Pi Store in Cambridge, England, where customers are able to experience and buy Raspberry Pi products, accessories, and books, and where we also hold events from time to time. From time to time, we also open temporary "pop-up" stores.

For the year ended 31 December 2023, we had revenue of \$265.8 million, gross profit of \$66.0 million, and operating profit of \$37.5 million, as well as adjusted EBITDA of \$43.5 million.

### Key factors affecting our results of operations

Our results of operations and financial condition are affected by a variety of factors. We set out below a discussion of the most significant factors that have affected our financial results in the periods under review and that we expect may affect our financial results in the future. Certain factors in addition to those set forth below could also have a significant effect on our results of operations and financial condition. For a further discussion of the factors affecting our results of operations, see Part II: "Risk Factors".

#### Unit sales and mix

The most significant factor affecting our results of operations is the number and type of units we sell. The following table sets out our revenue by product type (SBCs and compute modules, accessories, and semiconductors) and distribution channel (direct distribution and licensee) for the years ended 31 December 2021, 2022 and 2023:

	For the year ended 31 December					
	2021	2022	2023	2021	2022	2023
	(\$'000)			Mix (%)		
SBC and compute modules.....	67,320	133,663	195,526	47.9%	71.2%	73.6%
Accessories.....	15,475	13,955	15,204	11.0%	7.4%	5.7%
Semiconductors.....	728	2,447	1,549	0.5%	1.3%	0.6%
<b>Direct distribution channel sales.....</b>	<b>83,523</b>	<b>150,065</b>	<b>212,279</b>	<b>59.4%</b>	<b>79.9%</b>	<b>79.9%</b>
SBC and compute modules.....	23,683	7,708	8,596	16.8%	4.1%	3.2%
Accessories.....	3,098	1,865	191	2.2%	1.0%	0.1%
<b>Licensee channel sales.....</b>	<b>26,781</b>	<b>9,573</b>	<b>8,787</b>	<b>19.0%</b>	<b>5.1%</b>	<b>3.3%</b>
<b>Component sales.....</b>	<b>28,063</b>	<b>26,591</b>	<b>43,484</b>	<b>20.0%</b>	<b>14.2%</b>	<b>16.4%</b>
<b>Other.....</b>	<b>2,220</b>	<b>1,630</b>	<b>1,247</b>	<b>1.6%</b>	<b>0.8%</b>	<b>0.4%</b>
<b>Revenue.....</b>	<b>140,587</b>	<b>187,859</b>	<b>265,797</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

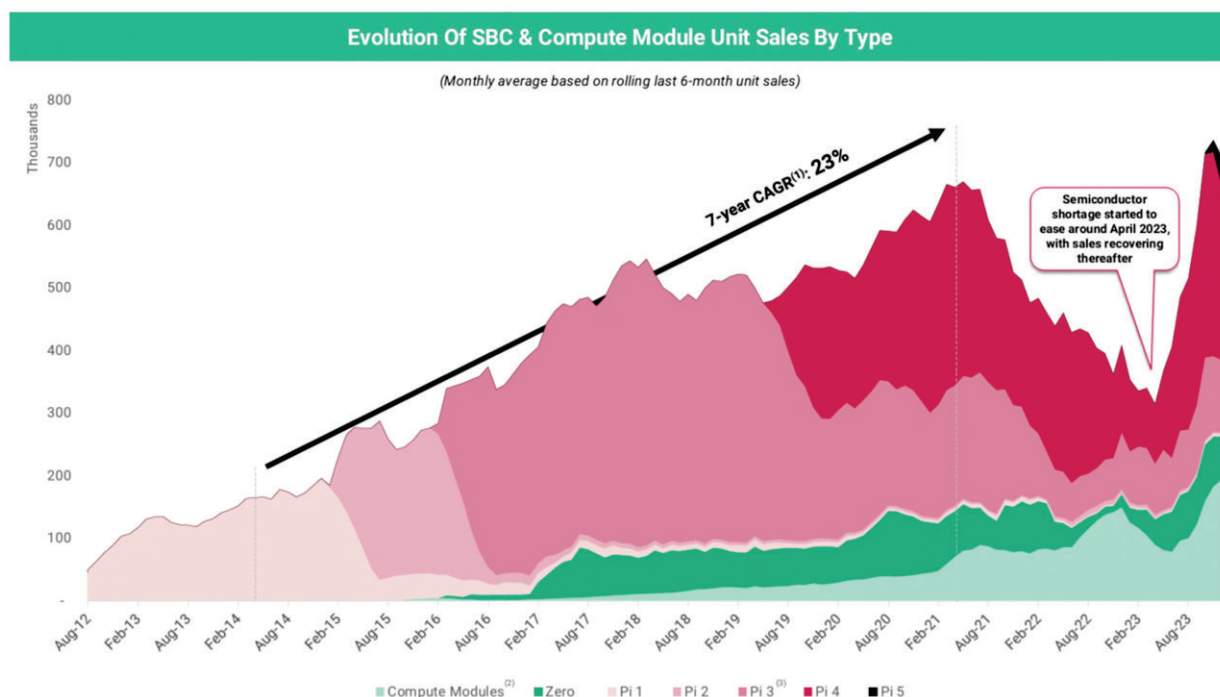
The following table sets out our gross profit by product for the years ended 31 December 2021, 2022 and 2023:

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
SBCs and compute modules.....	34,491	37,540	63,586
Accessories .....	7,080	5,400	4,531
Other (semiconductors, retail and publishing) .....	346	(659)	(2,162)
Total .....	<b>41,917</b>	<b>42,280</b>	<b>65,955</b>

#### *SBCs and compute modules*

The unit sales of SBCs and compute modules have historically been the principal factor affecting our results of operations, with the sale of SBCs and compute modules representing 82.3 per cent., 88.8 per cent. and 96.4 per cent., respectively, of our gross profit in the years ended 31 December 2021, 2022 and 2023. New generations of our SBCs and compute modules are typically released every three to four years. Following the launch of a new product, ARs purchase their stock commitments, followed by sales of SBCs to enthusiasts attracted to the newest product. Sales then continue to develop while the unit sales of the previous generation of SBCs and, in time, compute modules, decline in the E&E market. Following the launch of the SBC, compute modules and other variants such as Raspberry Pi 500 are launched. Sales of newly released SBCs and compute modules to I&E customers that have incorporated the previous SBC or compute module model into their existing designs typically increase more slowly, as these users are less reactive to new product releases and continue to use our existing products. New I&E users take time to incorporate new products into their designs and move to production.

The following chart illustrates this dynamic of new product releases driving unit sales.



Note:

(1) 7-year CAGR for period LTM June 2014 to LTM June 2021 is based on total number of SBC and compute module unit sales.

Since 2012, we have released six generations of our core SBC products, four generations of compute modules, and other new SBC products such as Raspberry Pi Pico. New generations of computers have driven an increase in the speed and processing capacity of our SBCs and compute modules, as illustrated by our latest flagship model SBC, Raspberry Pi 5 (4GB), which has roughly 150 times the processing power and eight times the memory of the original Raspberry Pi 1 Model B. This has enabled new applications, attracted new customers, and allowed us to enter new product markets. The launch of new products is central to driving further unit sales and revenues.

Our SBCs and compute modules are sold across a range of price points, with SBCs ranging from Raspberry Pi Pico at \$4 to Raspberry Pi 5 with 8GB of DRAM at \$80, and compute modules ranging from Compute Module 3 at \$25 to Compute Module 4 with 8GB of DRAM, 32GB of eMMC memory, and integrated wireless connectivity at \$95. In 2021, 2022 and 2023, we sold 8.5 million, 6.1 million and 7.4 million SBCs and compute modules, respectively, with the decrease in 2022 reflecting supply constraints. In 2021, the ASP of our SBCs and compute modules was \$37.7, increasing to \$38.1 in 2022 and \$40.6 in 2023. The increase in ASP from 2021 to 2022 was due to increases in Raspberry Pi 4 (2GB) prices and an increase in the mix of higher-value Raspberry Pi 4 SBCs. The increase in ASP from 2022 to 2023 was due to a higher proportion of Compute Model 4 and Raspberry Pi 4 SBC products being sold in 2023, reflecting sustained demand for these products.

The unit gross profit of each SBC and compute module depends on the channel through which it is sold and, as a result, has a direct impact on our results of operations. The following table sets out, by distribution channel, certain information regarding our unit gross profit per SBC and compute module as a percentage of ASP for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	2022	2023
	(\$, except as otherwise noted)		
SBCs and compute modules sold (thousand units) .....	8,477	6,080	7,393
<i>SBCs and compute modules sold via the direct distribution channel (thousand units).....</i>	<i>3,662</i>	<i>4,429</i>	<i>6,053</i>
<i>SBCs and compute modules sold via the licensee channel (thousand units) .....</i>	<i>4,815</i>	<i>1,651</i>	<i>1,340</i>
ASP of SBCs and compute modules .....	37.7	38.1	40.6
<i>ASP of SBCs and compute modules sold via the licensee distribution channel.....</i>	<i>49.7</i>	<i>52.1</i>	<i>62.7</i>
<i>ASP of SBCs and compute modules sold via the direct channel.....</i>	<i>19.6</i>	<i>31.4</i>	<i>35.7</i>
Unit gross profit per SBC and compute module .....	4.1	6.2	8.6
Unit gross profit margin per SBC and compute module as a percentage of ASP .....	11	16	21
Accessory gross profit per SBC and compute module .....	0.8	0.9	0.6

For a discussion of the sales dynamics of our distribution channels, see “—Distribution channels” below.

#### *Accessories*

We have developed a substantial range of accessories that complement our SBC and compute module products, which we intend to continue to expand. We earn revenue from our sale of accessories through the direct distribution channel and from royalties payable to us in respect of sales of a limited range of accessories by our Licensee. The volume of accessories sold is affected by the range of accessories offered and the rate of attachment of those accessories to the number of SBCs and compute modules sold. We measure attachment ratios and accessory profit by SBC and compute module units sold to analyse how the sale of accessories is influenced by the sale of SBCs and compute modules in a given year. For example, power supplies have developed a particularly high attachment rate since June 2019 when Raspberry Pi 4 was released with a dedicated power supply. Sales to E&E customers typically have a higher attachment rate than I&E customers and, accordingly, the attachment rate varies with the proportion of sales to E&E customers.

Accessories represented 13.2 per cent., 8.4 per cent. and 5.8 per cent., respectively, of our total revenues in the years ended 31 December 2021, 2022 and 2023, and our accessory gross profit per SBC and compute module over the same period was \$0.8, \$0.9, and \$0.6, respectively.

#### *Semiconductors*

Our semiconductors comprise the RP2040 microcontroller and the RP1 I/O controller chip.

The RP2040 microcontroller provides a low-cost product on a modern process node. RP2040 is sold exclusively through our direct distribution channel to our ARs and end users. Since making it available to users in January 2021, we sold 1.7 million RP2040s in 2021, 4.3 million in 2022 and 3.1 million in 2023.

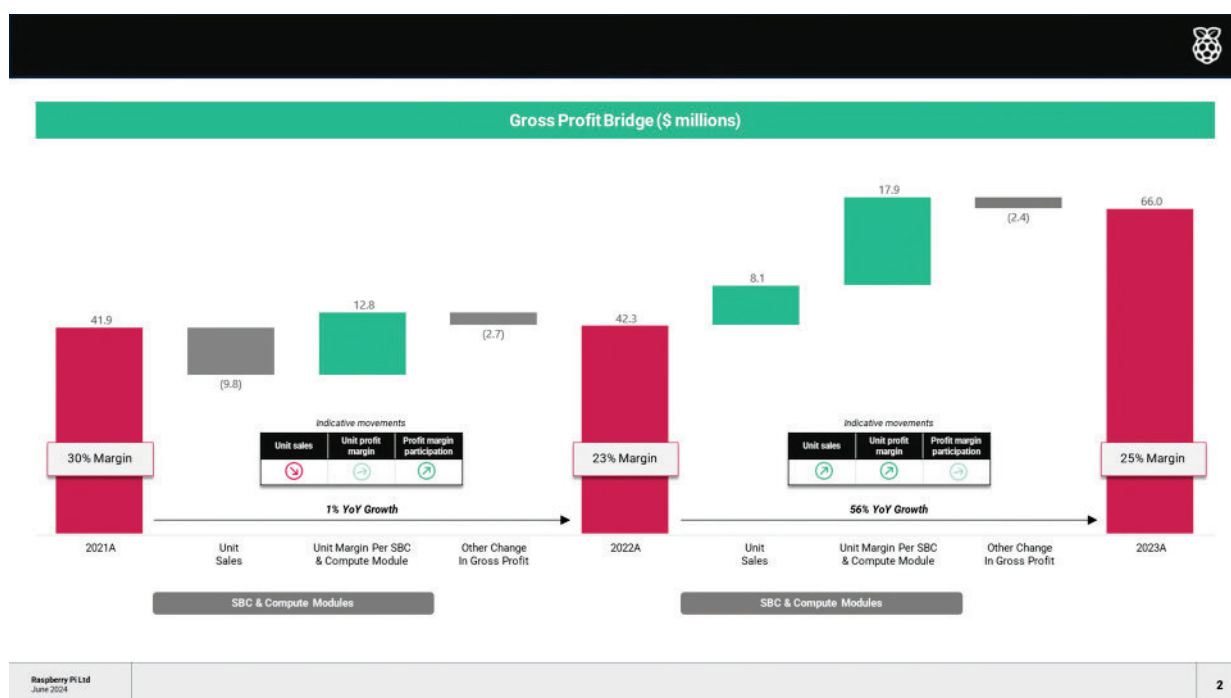
The RP1 I/O controller chip was designed primarily for use in the latest generation of our SBCs and compute modules, the first of which was Raspberry Pi 5. As a result, during the periods under review, there was no

associated external revenue, and the manufacturing costs are included in the cost of Raspberry Pi 5. Any sales to third parties of the RP1 I/O controller chip or other newly developed semiconductors in the future will be reflected in our consolidated revenues, cost of sales and gross profit.

### *Sale of components*

Our revenue includes revenue from components, principally third-party memory chips and connectors, wireless chips and keyboard cases and core silicon products, purchased by us and sold to Sony for incorporation into products produced for our Licensee. Our revenue attributable to the sale of components varies from period to period depending on the number of products containing such components that are manufactured for the Licensee, and the price of such components. The revenue from component sales remained relatively steady between 2021 and 2022, as Licensee sales declined but a higher proportion of components was sourced by us. In 2023, revenue increased as the proportion of memory chips increased again, and we supplied core silicon for Raspberry Pi 5 to Sony.

The following table illustrates the impact of unit sales, unit gross profit margin per SBC and compute module, and other changes in gross profit (comprising accessories, semiconductors and store sales) on our gross profit for the years ended 31 December 2021, 2022 and 2023.



### *Distribution channels*

The distribution channel through which our products are sold affects our revenue and gross profit margin and, therefore, our financial results.

Our products are distributed to end users through two distinct distribution channels: (i) the direct distribution channel, which comprises direct sales to ARs, OEMs and our Licensee of SBCs, compute modules, and accessories, and direct sales to OEMs of custom products; and (ii) the licensee channel, which historically comprised sales by our Licensee and RS Components of many of our SBCs, compute modules and accessories, and today comprises sales by our Licensee only of certain high-value SBCs (currently the 4GB and 8GB variants of Raspberry Pi 4 and 5).



Through our direct distribution channel, we recognise the price of units sold as revenue. The cost of sales for products sold by us through our direct distribution channel is the price we pay for them to be manufactured plus licence fees paid to parties whose intellectual property is used in their design.

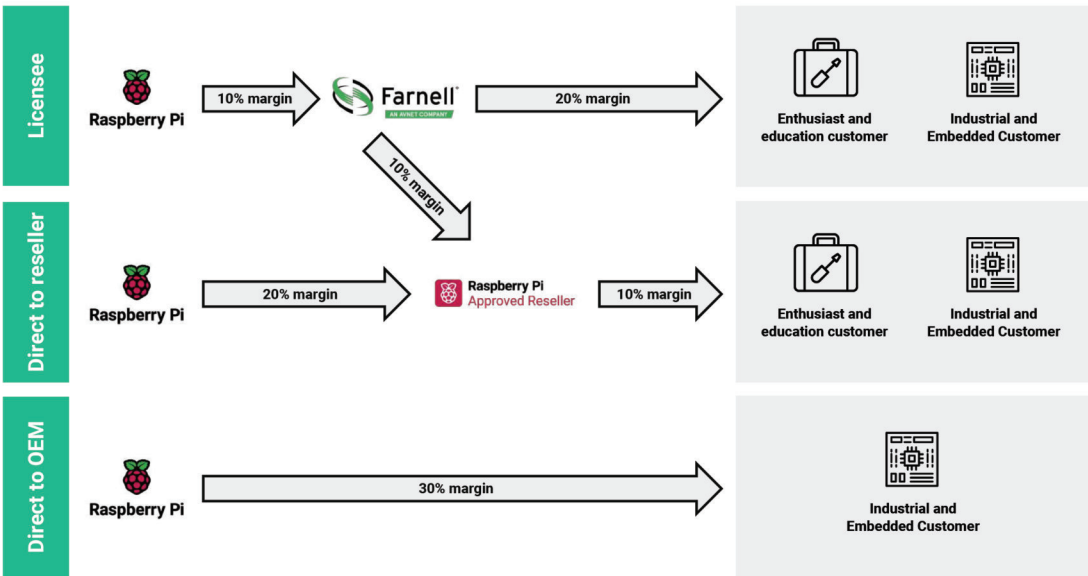
Through the licensee channel, we earn royalty income in respect of products that are commissioned and manufactured for distribution by our Licensee to ARs, OEMs and other end users. Our cost of sales for products sold through the licensee channel is the licence fees paid to parties whose intellectual property is used in these products’ design. The manufacturing cost of the products sold through our licensee channel is borne by the Licensee and therefore reflected in their financial statements.

The distribution channel through which our products are sold therefore affects our revenue, as revenue from a direct sale will reflect the full value of the sale price to our customer, while revenue for sales through the licensee channel will reflect only the royalty payable by our Licensee to us for that item.

During the periods under review, we have worked to a conceptual guide of a gross product margin between the manufactured cost and the end-customer price (excluding sales taxes and delivery costs) of 30 per cent. of the MSRP of each unit. For products we sell through the direct distribution channel to ARs, we then typically share one-third of the product margin with the ARs, yielding a unit gross profit margin of 20 per cent. for us and 10 per cent. for our ARs. For example, we would expect a product that costs \$70 to manufacture to be sold, as a guide, to an end user for \$100. We would accordingly pay the CEM \$70 for the product and sell it to our ARs for \$90, which in turn would sell it to the end user for \$100. For direct-to-OEM sales, we retain the entire 30 per cent. gross product margin.

In the case of the licensee channel, as a guide, the royalty to be paid to us by the Licensee is based on a target unit gross profit margin for us of 10 per cent. of the end user sale price. The Licensee then targets receiving a unit gross profit margin of 20 per cent. if it sells the product to OEMs, or 10 per cent. if the Licensee sells the product to an AR. Using the example above, the licensee would purchase the same product from the CEM for \$70 and sell it to its AR for \$90 (with \$10 of unit gross profit margin going to the Licensee, and a \$10 royalty going to us), and the AR would then sell the product to the end user for \$100.

The following graphic illustrates these routes to market for our products:



Consequently, we expect to earn a higher unit gross profit from the sale of a product through the direct distribution channel compared to the royalty earned from the sale of the same product through the licensee channel. As the proportion of products sold through the direct distribution channel has increased relative to sales through the licensee channel during the periods under review, our average unit gross profit has increased. However, as products sold by the Licensee are generally of higher value than those sold by us through the direct distribution channel, the licensee channel has a higher proportion of products with a higher unit gross profit and, therefore, the average unit gross profit of the licensee channel during the periods under review has exceeded that of the direct distribution channel.

In setting end user prices, we use price points that are typically multiples of \$5 and, while the cost of components will fluctuate regularly, we do not revise prices as frequently. Accordingly, the total margin between the end user sale price and the cost of manufacture, whether our cost or our Licensee's cost, will fluctuate around the target levels described above.

The proportion of SBCs and compute modules sold via our direct distribution channel was 82 per cent. in 2023, principally due to our decision in early 2023 to restrict the licensee channel to the distribution of high value SBCs, with compute modules and lower value products only being sold through the direct distribution channel.

The following table sets out the number of SBCs and compute modules sold through each channel for the years ended 31 December 2021, 2022 and 2023.

	<b>For the year ended 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>('000, except as otherwise noted)</i>		
SBCs and compute modules sold via the direct distribution channel.....	3,662	4,429	6,053
SBCs and compute modules sold via the licensee channel.....	4,815	1,651	1,340
<b>Total SBC and compute module unit sales.....</b>	<b>8,477</b>	<b>6,080</b>	<b>7,393</b>
<i>SBCs and compute modules sold via the direct distribution channel as a percentage of total SBC and compute module unit sales (%) .....</i>	43	73	82

The mix and quantity of products sold by our licensees has changed over time. As noted above, the licensee channel historically sold most of our SBC, compute module and accessory product lines, with the exception of some low-ASP lines where factory gate to MSRP margin was insufficient to accommodate three participants (us, a licensee and a reseller). More recently, the licensee channel has sold only a small number of high-ASP SBC lines (currently the 4GB and 8GB variants of Raspberry Pi 4 and 5). This shift towards the direct channel has resulted in our realising greater revenue per unit than was previously the case, when we only received a royalty payment in respect of such sales, although the working capital requirements arising from our selling these products directly have increased as a result.

The impact of the foregoing change in the mix of our products distributed through our distribution channels is illustrated in the table under “—Unit sales and mix—SBCs and compute modules” above.

We terminated our licensing agreement with RS Components in June 2022. We did not experience a significant drop in revenue or gross profit as customer purchases were redirected through our direct distribution channel and our remaining Licensee.

In 2021, we sold products to more than 500 customers through our direct distribution channel. While our ten largest direct distribution customers accounted for 48.7 per cent. of our total revenues for 2023, we have a ‘long tail’, which in 2023 comprised more than 35,000 end customers. Substantially all of our largest customers are ARs, and many of them typically also purchase substantial product volumes from our Licensee.

### ***Product costs***

Our SBCs and compute modules are sold with a range of DRAM variants. The size of memory ranges from 512MB to 8GB, depending on the product. Memory prices fluctuate and can account for a significant percentage of total unit costs, and as a result can contribute significantly to changes in our gross profit. For example, in 2023 DRAM costs as a percentage of overall unit costs for Raspberry Pi 4 comprised 8 per cent. of unit costs for the 1GB model, 14 per cent. for the 2GB model, 24 per cent. for the 4GB model, and 39 per cent. for the 8GB model.

Other components, including SoCs, can also vary in price, causing fluctuations in the cost of sales of our products. For instance, other component prices increased in 2021 due to the worldwide semiconductor shortage. However, increases in the cost of components procured by us were generally offset by savings in the cost of the DRAM.

### ***Availability of components***

From 2021, principally due to the disruption arising from the COVID-19 pandemic, the supply of semiconductors to the global market was unable to meet demand. The supply of components, in particular the SoCs we obtain from Broadcom, was insufficient to allow us to fully meet the demand for our products, and we experienced restrictions on supply and some price increases in 2021 and 2022 from various suppliers, including Broadcom, as a result. At the same time, the cost of certain components, particularly memory, fell. While the unit gross profit of some products declined, we offset this decline by concentrating our limited supply of SoCs on products with higher unit gross profit. Overall, the unit gross profit per SBC and compute module rose from \$4.1 in 2021 to \$6.2 in 2022 and \$8.6 in 2023. While supply shortages are not currently a material consideration, further semiconductor price increases or shortages, or shortages of other components that rely on semiconductors, remain possible. This could in turn adversely affect our gross margin if we are unable to mitigate shortages, pass the price increases on to our customers and/or offset the impact of such price increases by otherwise reducing our cost of sales.

In September 2023, we launched Raspberry Pi 5, our first flagship product to incorporate our own silicon, in the form of the RP1 I/O controller chip, and as part of our growth strategy, we may bring further elements of our core chipset in-house in the medium-term. This would require substantial capital expenditure.

### ***Investment in product research and development***

We invest substantial sums in product research and development. The goals of our research and development process are twofold: to sustain our existing business, by generating new iterations of existing successful product lines, and to obtain the capabilities required to create new product lines and, more rarely, lines of business. We have historically invested, and intend to continue to invest, in research and development to develop new products. New generations of computers have increased the speed and processing capacity of our SBCs by a factor of roughly 150 since Raspberry Pi 1 Model B’s introduction in 2012, which has enabled new applications, attracted new customers and allowed us to enter new product markets. The launch of new products is central to our ongoing growth in unit sales and is a key driver of our increase in revenues.

In 2021, 2022 and 2023, we spent \$4.6 million, \$8.6 million, and \$19.2 million, respectively, on capitalised research and development and related intellectual property licence purchases. Where research and development costs are capitalised, we amortise these costs over time in accordance with our accounting policies. The remaining costs are recognised in the statement of comprehensive income during the period in which they are incurred. Given our rapid growth, the value of our capitalised research and development costs has historically been significantly higher than the amortisation of research and development costs. For example, in the years ended 31 December 2021, 2022 and 2023, the above capitalised research and development costs were, respectively, 2.2, 2.9 and 5.7 times higher than amortization of research and development costs.

The following table sets out our engineering costs for the years ended 31 December 2021, 2022 and 2023:

	For the year ended 31 December		
	2021	2022	2023
		(\$ '000)	
Capitalised engineering salary costs .....	3,396	3,954	5,553
Adjusted expensed research and development costs .....	8,096	7,087	7,680
<b>Total</b> .....	<b>11,492</b>	<b>11,041</b>	<b>13,233</b>

### ***Currency fluctuations***

We operate globally, and our functional and presentational currency is the U.S. dollar, while our principal currencies of operation are the U.S. dollar, the euro, and the pound sterling. The prices of our products and royalties are set in U.S. dollars and the costs of our products are incurred in U.S. dollars. Where products are sold in currencies other than the U.S. dollar, prices are periodically revised in line with the appreciation and decline of the currency, thereby limiting the impact of currency fluctuations on our financial result in U.S. dollars.

Conversely, the majority of our administrative and development costs are incurred in pounds sterling, and we are therefore subject to limited currency exchange risk in respect of these costs. We regularly review our exposure to currency exchange risk. However, in view of the limited nature of this risk, we do not engage in currency hedging.

### ***Taxation***

Prior to 2021, we did not pay tax because of the favourable tax impact of our Gift Aid payments to the Foundation, together with available research and development tax credits. In 2021, we were eligible for the small company scheme. In 2022, we became eligible to make a Research and Development Expenditure claim under UK taxation rules. From 2022, this income is shown separately in the Historical Financial Statements from taxation. In accounting for taxation, we also report deferred tax if the financial accounting basis differs from that of taxation. The amount of deferred tax expense in 2021, 2022 and 2023 was \$3.2 million, \$1.5 million and \$2.6 million, respectively, and accordingly, in the years ended 31 December 2021, 2022 and 2023, our reported tax rate as a percentage of profit before taxation was 19.6 per cent., 15.0 per cent. and 17.3 per cent., respectively.

## **Description of Key Line Items**

### ***Revenue***

Revenue principally represents amounts received from the sale of products through the direct distribution channel, royalty payments we receive in connection with the sale of products through the licensee channel,

revenue from the sale of components purchased by us and sold to Sony for incorporation into products produced for our Licensee, and income from publishing sales (which include the sale of magazines and books). Amounts received from the sale of products through the direct distribution channel are recognized as revenue on proof of delivery. Licensee channel sales are recognized as income when the Licensee sells the product, except in the case of Raspberry Pi 5, with respect to which the royalty is recognized when the product is purchased from Sony in accordance with the license agreement. Publishing revenue is recognised when the customer has taken undisputed delivery of the goods.

### ***Gross profit***

Gross profit is our revenue net of our cost of sales, including freight costs. The cost of sales for products sold through our direct distribution channel is the price we pay to the CEM for their manufacture, whereas our cost of sales for products sold by our Licensee comprises only licence fees paid to parties whose intellectual property is used in these products' design. The cost of sales for components we sell to Sony or our Licensee is the cost of purchasing those components.

### ***Administrative expenses***

Administrative expenses are primarily fixed or semi-fixed and principally comprise salaries of sales and administrative staff and executive staff members together with property expenses, marketing costs and consultancy costs for systems, depreciation and amortisation charges, share-based payment credits/charges and advisory costs relating to further external investment.

We also report adjusted administrative expenses, which is administrative expenses less depreciation and amortisation charges, share based payment charges and one-off or non-recurring costs such as advisory costs relating to further external investment. Adjusted administrative expenses are primarily driven by growth in administration and sales headcounts, as well as the additional costs of the corporate headquarters and technology sector salary inflation. For more information see Part III: *“Presentation of Information—Presentation of Financial Information—Alternative Performance Measures”*.

### ***Research and development expenses***

Research and development expenses comprise expensed research and development costs, amortisation and depreciation, the Research and Development Expenditure Credit (“RDEC”) and share-based payment credits/charges.

We also report adjusted research and development expenses which are calculated as research and development expenses excluding the impact of share-based payment charges/credits in respect of research and development staff, depreciation and amortisation of research and development assets and RDEC. Adjusted research and development expenses is primarily driven by growth in engineering headcount, compliance costs and costs of third-party consultants and contractors who work on projects not applicable for capitalisation. For more information see Part III: *“Presentation of Information—Presentation of Financial Information—Alternative Performance Measures”*.

### ***Finance income and costs***

Finance income is interest received on bank and money market deposits funds.

Finance costs comprise interest payable on leases and in respect of bank borrowings and is expensed in the period in which it is incurred. Finance costs also include fees paid for the provision of bank facilities and are amortised over the expected life of the facility.

Also included are foreign exchange gains and losses on items of a long-term financing nature such as leases.

## ***Taxation***

Taxation expense comprises current tax plus deferred tax, amended for the effects of any adjustments in previous periods and the effect of changes in tax rates.

## **Financial and operational targets for the year ending 31 December 2024 and the medium term**

The financial and operational targets described immediately below constitute forward-looking statements. These forward-looking statements have been prepared based on assumptions and estimates, are not guarantees of future financial performance, and could differ materially from our actual results due to various factors, including but not limited to those described in Part II: “*Risk Factors*” and Part III: “*Presentation of Information—Forward-looking Statements*”. For additional information regarding factors that we believe could have a substantial effect on our results of operations, see also “—*Key factors affecting our results of operations*” above.

### ***Unit sales***

For the year ending 31 December 2024, we expect to sell approximately 8.4 million units across all products and channels.

In the medium term, we expect that our I&E business will grow above the market trend, and when combined with the slower growth of the E&E market, we expect a blended unit sales growth rate of 10 per cent. to 12 per cent. per year.

### ***Unit gross profit per SBC and compute module***

Due to the launch costs associated with Raspberry Pi 5, we expect that unit gross profit per SBC and compute module for the year ending 31 December 2024 will be lower than for the year ended 31 December 2023.

In the year ending 31 December 2025, we expect that unit gross profit per SBC and compute module will reflect the impact of higher prices for memory and lower prices for the next process step of the Broadcom 2712 SoC used in Raspberry Pi 5.

In the medium term, we aim to grow unit gross profit per SBC and compute module through increased sales of custom products, more sales through the direct-to-OEM channel, and sales of higher value products.

### ***Share of gross profit***

The share of gross profit attributable to SBCs and compute modules has risen from 82 per cent. in the year ended 31 December 2021 to 96 per cent. in the year ended 31 December 2023, as the profit from SBCs and compute modules has grown faster than the profit from accessories and other items. For the year ending 31 December 2024, we expect the share of gross profit attributable to SBCs and compute modules to drop slightly, to approximately 90 per cent.

For the year ending 31 December 2025, we expect this ratio to further decrease, to between 80 per cent. and 90 per cent.

In the medium to long term, we expect the share of gross profit attributable to microcontrollers and accessories will increase, due to the upside from more microcontroller sales and the upselling of accessories.

### ***Share of unit sales through the direct distribution channel***

We have made a strategic decision to prioritise sales through the direct distribution channel. This has already resulted in the percentage of SBC and compute module sales through the direct distribution channel increasing from 43 per cent. in the year ended 31 December 2021 to 82 per cent. in the year ended 31 December 2023.

Going forward, we expect the percentage share of SBC and compute module unit sales through the direct distribution channel to be between 70 per cent. and 80 per cent.

### ***Gross profit margin***

For the year ending 31 December 2024, we expect that our gross profit margin will remain flat year-on-year.

In the medium term, we expect to see some gross profit margin uplift, driven by the continued transition to higher value direct-to-OEM accounts and by increasing sales of custom products.

### ***Adjusted administrative expenses and adjusted research and development expenses***

We expect that adjusted administrative expenses and adjusted research and development expenses will increase to approximately \$30 million in aggregate for the year ending 31 December 2024, predominantly driven by an increase in headcount, salary increases of approximately 10 per cent. and approximately \$2 million of ongoing public company-related costs.

In the medium term, we expect that these adjusted expenses will increase by approximately 10 per cent. per year in aggregate, reflecting salary inflation and modest annual increases in headcount.

### ***Depreciation and amortisation***

We expect that depreciation and amortisation expenses will increase to approximately \$10 million for the year ending 31 December 2024, driven by a step-up in amortisation due to Raspberry Pi 5 development costs.

In the medium term, we expect to see an increase in depreciation and amortisation expenses of approximately \$1 million to \$2 million per year.

### ***Effective tax rate***

We expect that our effective tax rate (current and deferred tax) going forward will be approximately 25 per cent.

### ***Share-based compensation***

In connection with the Global Offer, we will replace our LTIP with a new LTIP comprising market value options, to support employee retention and performance. We expect that the cumulative cost of this will be approximately \$9 million, expensed over the next three years in accordance with IFRS 2. From 2025, all employees will be eligible to be granted an LTIP award, expected to be in the form of conditional awards over Shares (subject to continuous employment and, for certain senior employees, performance conditions), and this is expected to be equivalent to approximately 20 per cent. of the aggregate of our adjusted administrative expenses and adjusted research and development expenses per year, on a fully stacked basis. The key terms of the new LTIP are set out in more detail in paragraph 7.5 of Part XVII: “*Additional Information—Directors’ service agreements, letters of appointment and other matters—Key terms of the Long-Term Incentive Plan*”.

### ***Capital expenditure***

For the year ending 31 December 2024, we expect that capital expenditure will be approximately \$20 million, reflecting the development of next-generation SBCs and compute modules and new microcontroller chips. The composition of this capital expenditure is not expected to materially change from prior years.

We also expect that capital expenditure for the year ending 31 December 2025 will be approximately \$20 million.

In the medium term, we expect that capital expenditure will remain flat as a percentage of our gross profit.

### ***Net working capital***

Going forward, we expect to see modestly elevated levels of inventory compared with 31 December 2023.



## Results of operations

### Comparison of results of operations for the year ended 31 December 2022 and the year ended 31 December 2023

The table below sets out our results of operations for the years ended 31 December 2022 and 2023.

	For the year ended 31 December	
	2022	2023
	(\$'000 except where otherwise indicated)	
Revenue.....	187,859	265,797
Cost of sales .....	(145,579)	(199,842)
<b>Gross profit</b> .....	<b>42,280</b>	<b>65,955</b>
Administrative expenses .....	(13,794)	(17,650)
Research and development expenses .....	(9,251)	(10,582)
Foreign exchange gain/(loss) .....	833	(191)
Other operating income.....	—	—
<b>Operating profit</b> .....	<b>20,068</b>	<b>37,532</b>
Finance income .....	49	1,443
Finance costs .....	(29)	(779)
<b>Profit/(loss) before taxation</b> .....	<b>20,088</b>	<b>38,196</b>
Taxation.....	(3,021)	(6,624)
<b>Profit</b> .....	<b>17,067</b>	<b>31,572</b>
 <b>Adjusted EBITDA<sup>(1)</sup></b> .....	 26,427	 43,454
<b>Adjusted EBITDA margin (%)<sup>(1)</sup></b> .....	 14.1	 16.3

Note:

- (1) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures as defined in Part III: “Presentation of Information—Presentation of Financial Information—Alternative Performance Measures”.

### Revenue

Revenue increased by \$77.9 million, or 41.5 per cent., from \$187.9 million for the year ended 31 December 2022 to \$265.8 million for the year ended 31 December 2023.

The following table sets forth a breakdown of revenue by distribution channel for the periods indicated.

	For the year ended 31 December	
	2022	2023

	<b>For the year ended 31 December</b>	
	<i>(\$'000)</i>	
Direct distribution channel sales .....	150,065	212,279
Licensee channel sales .....	9,573	8,787
Component sales .....	26,591	43,484
Other .....	1,630	1,247
<b>Total</b> .....	<b>187,859</b>	<b>265,797</b>

The increase in revenue from the year ended 31 December 2022 to the year ended 31 December 2023 was mainly attributable to increased product sales following the end of supply chain shortages.

Total SBC and compute module unit volumes sold increased by 21.6 per cent. in the year ended 31 December 2023 as compared to the year ended 31 December 2022, as the supply of components, particularly processor chips from Broadcom, returned to normal levels following the moderation of supply chain shortages.

Our direct distribution channel sales increased by \$62.2 million, or 41.5 per cent., from \$150.1 million for the year ended 31 December 2022 to \$212.3 million for the year ended 31 December 2023 due to a 37 per cent. increase in units sold and a 14 per cent. increase in the ASP, which accompanied increased sales of SBCs and compute modules.

The 8.2 per cent. decrease in revenue from licensee sales for the year ended 31 December 2023 as compared to the year ended 31 December 2022 was mainly attributable to our strategic shift towards increased sales via the direct distribution channel and was partly offset by the product mix.

Revenue from the sale of accessories increased by 9.0 per cent. to \$15.2 million for the year ended 31 December 2023 compared to \$14.0 million in the year ended 31 December 2022, with strong sales of accessories for the new Raspberry Pi 5 and growth in new camera sales. This was offset in part by lower sales on HATs. Over 98 per cent. of accessories are now distributed through the direct distribution channel, with all new accessories being supplied through that route to market.

Having launched the RP2040 microcontroller and Raspberry Pi Pico in January 2021, we sold 1.1 million and 0.7 million Raspberry Pi Picos in the years ended 31 December 2022 and 2023, respectively, and 4.3 million and 3.1 million RP2040s, including those incorporated in the Pico, over the same periods.

Revenue from the sale of components increased by \$16.9 million, from \$26.6 million for the year ended 31 December 2022 to \$43.5 million for the year ended 31 December 2023, due to the sale of a wider variety of component types, including sales of application processor chips and panels for displays, as well as an increase in the volume of memory chips supplied, as the number of boards containing memory sourced by us increased.

### **Gross profit**

Gross profit increased by \$23.7 million, or 56 per cent., from \$42.3 million for the year ended 31 December 2022 to \$66.0 million for the year ended 31 December 2023. This increase was attributable to increased SBC and compute module unit sales and higher unit gross profit per SBC and compute module.

Gross profit from SBC and compute module sales increased by \$26.0 million, or 69.4 per cent., from \$37.5 million for the year ended 31 December 2022 to \$63.6 million for the year ended 31 December 2023. The average unit gross profit per SBC and compute module increased from \$6.2 in 2022 to \$8.6 in 2023, a 39.2 per

cent. increase that was due to a higher proportion of higher gross profit per unit compute modules sales and a lower proportion of lower gross profit per unit Pico and Raspberry Pi 3 sales, as well as improved margins on Raspberry Pi 4 and our compute module products due to lower overall component costs, which was in turn primarily due to declining memory prices.

In the period from mid-2021 to early 2023, when there were acute semiconductor shortages, we acquired more semiconductor inventory than normal, including processor and microcontroller chips, to ensure certainty of supply and provide future opportunities. As supply returned in 2023, we provisioned against those items of inventory where volumes on hand exceeded what we would expect to sell in the next few years. Profits from accessories fell despite an increase in direct sales due to these provisions together with lower licensee channel income. A loss on microcontrollers arose due to provisioning against the high levels of inventory procured during semiconductor shortages.

Gross profit margin increased from 22.5 per cent. for the year ended 31 December 2022 to 24.8 per cent. for the year ended 31 December 2023. This increase was attributable to an increase in direct sales, which reduced licensee royalty margin.

#### ***Administrative expenses***

Administrative expenses increased by \$3.9 million, or 28.0 per cent., from \$13.8 million for the year ended 31 December 2022 to \$17.7 million for the year ended 31 December 2023. This increase was mainly attributable to growth in headcount in the sales team, the move to a new head office and provisions made for vacating the previous head office. Depreciation and amortisation costs increased by \$0.8 million, or 38 per cent., from \$2.2 million to \$3.0 million, due to the costs of the new office and the depreciation of the right of use asset.

#### ***Research and development expenses***

Research and development expenses increased by \$1.3 million, or 14.4 per cent., from \$9.3 million for the year ended 31 December 2022 to \$10.6 million for the year ended 31 December 2023. The higher expenditure in 2023 was due to the hiring of additional engineering staff, and more research and development projects, offset in part by a higher level of capitalisation.

#### ***Finance income***

Finance income increased from \$nil million in the year ended 31 December 2022 to \$1.4 million in the year ended 31 December 2023 due to higher interest rates on deposits.

#### ***Finance costs***

Finance costs increased from \$0.0 million for the year ended 31 December 2022 to \$0.8 million for the year ended 31 December 2023 due to higher interest rates and foreign exchange losses on leases denominated in pounds sterling.

#### ***Taxation***

Taxation increased by \$3.6 million in 2023, or by 119 per cent., from \$3.0 million to \$6.6 million, which comprised a \$4.1 million current tax charge and \$2.6 million deferred tax charge. This increase reflected the combined impact of higher profit before tax for the period and an increase in the rate of corporation tax, from 19 per cent. to 23.5 per cent. In 2022, due to our increased size, we became eligible to make a RDEC claim under UK taxation rules rather than being eligible for the small company scheme. We claimed \$2.3 million in RDEC for the year ended 31 December 2023, an increase of \$1.1 million as compared to the year ended 31 December 2022. At the end of 2023, we had deferred \$2.5 million of the cumulative RDEC to match against future amortisation of the capitalised development cost to which the credit relates.

### ***Profit for the year***

As a result of the foregoing factors, profit for the year increased by \$14.5 million in 2023, or by 85.0 per cent., from \$17.1 million for the year ended 31 December 2022 to \$31.6 million for the year ended 31 December 2023.

### **Comparison of results of operations for the year ended 31 December 2021 and the year ended 31 December 2022**

The table below sets out our results of operations for the years ended 31 December 2021 and 2022.

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2022</b>
	<i>(\$'000 except where otherwise indicated)</i>	
Revenue.....	140,587	187,859
Cost of sales .....	(98,670)	(145,579)
<b>Gross profit</b> .....	<b>41,917</b>	<b>42,280</b>
Administrative expenses .....	(11,793)	(13,794)
Research and development expenses	(11,124)	(9,251)
Foreign exchange (losses)/gains	(272)	833
Other operating income.....	37	—
<b>Operating profit</b> .....	<b>18,765</b>	<b>20,068</b>
Finance income .....	—	49
Finance costs .....	(292)	(29)
<b>Profit before taxation</b> .....	<b>18,473</b>	<b>20,088</b>
Taxation.....	(3,622)	(3,021)
<b>Profit</b> .....	<b>14,851</b>	<b>17,067</b>
 <b>Adjusted EBITDA<sup>(1)</sup></b> .....	 25,671	 26,427
<b>Adjusted EBITDA margin (%)<sup>(1)</sup></b> .....	 18.3	 14.1

Note:

- (1) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures as defined in Part III: “*Presentation of Information—Presentation of Financial Information—Alternative Performance Measures*”.

### ***Revenue***

Revenue increased significantly by \$47.3 million, or 33.6 per cent., from \$140.6 million for the year ended 31 December 2021 to \$187.9 million for the year ended 31 December 2022.

The following table sets forth a breakdown of revenue by distribution channel for the periods indicated.

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2022</b>
	<i>(\$ '000)</i>	
Direct distribution channel sales .....	83,523	150,065
Licensee channel sales .....	26,781	9,573
Component sales .....	28,063	26,591
Other .....	2,220	1,630
<b>Total.....</b>	<b>140,587</b>	<b>187,859</b>

The 64 per cent. decrease in revenue from sales via our licensees for the year ended 31 December 2022 as compared to the year ended 31 December 2021 was mainly attributable to the 66 per cent. decline in SBC and compute module units sold through the channel as a result of the global semiconductor shortage, which restricted the production of our products.

Sales of Raspberry Pi 4s decreased to 2.3 million units in the year ended 31 December 2022, due to the shortage of SoC chips.

Our direct distribution channel sales revenues for the year ended 31 December 2022 increased by \$66.5 million (80 per cent). as compared to the channel's revenues for the year ended 31 December 2021, due to a 98.5 per cent. increase in revenue from the sale of SBCs and compute modules through our direct distribution channel and a 236.1 per cent. increase in revenue from the sales of semiconductors over the period, which was partially offset by a 10 per cent. reduction in sales of accessories, as total sales of SBCs and compute modules across the licensee and direct distribution channels in aggregate fell, with a consequential reduction in the sale of attached accessories, particularly power supplies, keyboards and mice. The revenue from SBCs and compute modules sold through our direct distribution channel increased by 98.5 per cent. due to a 20 per cent., or 0.8 million, increase in units sold, as a result of our increasing strategic focus on this channel and a 60 per cent. increase in the ASP of those units due to increased sales of Compute Modules and Raspberry Pi 4s and a decline in the sale of Raspberry Pi Zeros.

Revenue from the sale of components decreased by 5 per cent., from \$28.1 million in the year ended 31 December 2021 to \$26.6 million in the year ended 31 December 2022, as a result of the decline in the sale of Raspberry Pi units by our licensees, although this was offset in part by the increased sales of panels for use in displays.

### ***Gross profit***

Gross profit increased by \$0.4 million, or 1 per cent., from \$41.9 million for the year ended 31 December 2021 to \$42.3 million for the year ended 31 December 2022. This increase was mainly attributable to an increase in unit gross profit offsetting a decline in SBC and compute module unit sales.

Gross profit from SBCs and compute modules including related component sales increased by \$3.0 million, or 9 per cent., from \$34.5 million for the year ended 31 December 2021 to \$37.6 million for the year ended 31 December 2022. Unit gross profit from the licensing and direct sale of SBCs and compute modules including components increased by 52 per cent. from \$4.1 for the year ended 31 December 2021 to \$6.2 for the year ended 31 December 2022. The increase was due in part to an increase in the margin on the Raspberry Pi 4 (2GB) model due to a \$10 increase in its retail price and to the increase in sales from the direct distribution

channel where, for the same product, the unit gross profit is higher than the royalty that would otherwise be earned on that product.

Gross profit from semiconductor products declined by \$0.3 million in the year ended 31 December 2022, while the gross profit from accessory sales declined by \$1.7 million despite higher direct sales due to provisions for some slow-moving stock and lower accessory-related royalty income due to the fall in the total number of SBCs and compute modules sold across both the licensee and direct distribution channels.

Gross profit margin declined from 30 per cent. for the year ended 31 December 2021 to 23 per cent. for the year ended 31 December 2022. The decline was primarily attributable to the increased proportion of direct sales in 2022.

#### ***Administrative expenses***

Administrative expenses increased by \$2.0 million, or 17 per cent., from \$11.8 million for the year ended 31 December 2021 to \$13.8 million for the year ended 31 December 2022. This increase was due to the cost of staff increasing at an underlying rate of 10 per cent. and other administrative costs increasing, including promotional, travel and legal costs, as the business returned to pre-pandemic levels of activity. Depreciation costs increased by \$0.5 million, or 27 per cent., from \$1.7 million for the year ended 31 December 2021 to \$2.2 million for the year ended 31 December 2022.

#### ***Research and development expenses***

Expensed research and development expenses decreased from \$11.1 million for the year ended 31 December 2021 to \$9.3 million for the year ended 31 December 2022. The higher expenditure in 2021 was due to further costs incurred to write software development tools for RP2040 subsequent to its launch, further improvements to the Raspberry Pi 4's design, and continuing development of the Raspberry Pi software stack, particularly in respect of the operating system and graphics drivers. The costs for 2022 were offset by a credit of \$0.3 million in respect of share based payments and a credit of \$0.5 million for the RDEC.

#### ***Finance income***

Finance income was \$nil in the year ended 31 December 2021 and \$49 thousand in the year ended 31 December 2022. The increase reflects higher interest rates.

#### ***Finance costs***

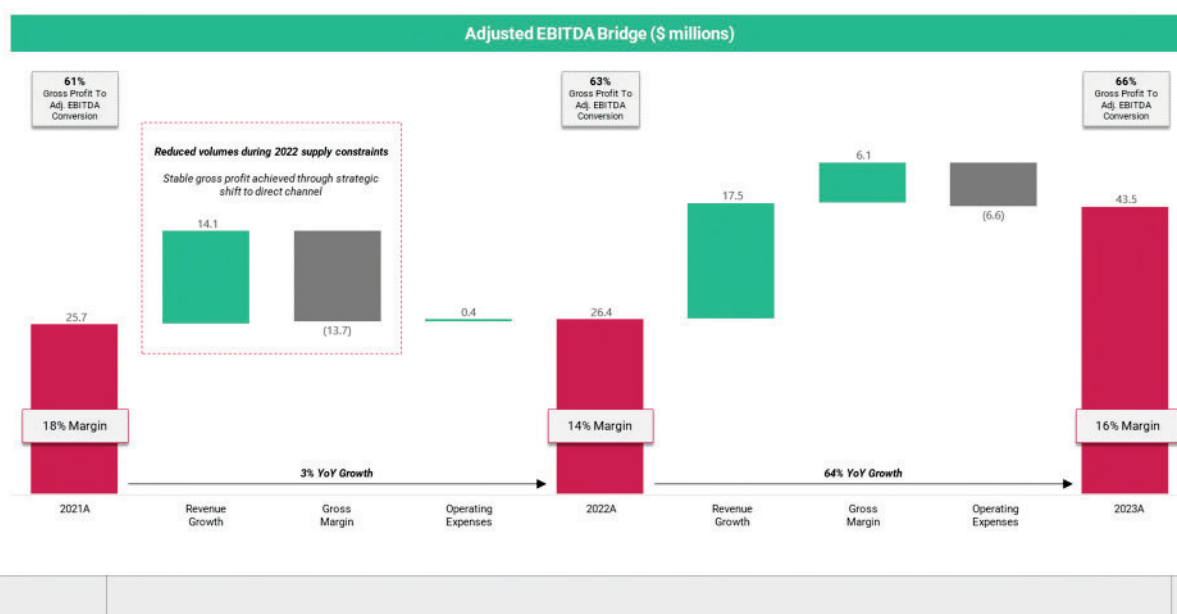
Finance costs decreased by \$0.3 million, from \$0.3 million for the year ended 31 December 2021 to \$29 thousand for the year ended 31 December 2022. The decrease was primarily attributable to the reduced need to borrow under the Revolving Credit Facility in 2022 due to the funds we received from the investments by Ezraah and Lansdowne.

#### ***Profit for the year***

As a result of the foregoing factors, profit for the year increased by \$2.2 million, or 15 per cent., from \$14.9 million for the year ended 31 December 2021 to \$17.1 million for the year ended 31 December 2022.

#### **Adjusted EBITDA**

The following graph sets out our adjusted EBITDA bridge between the year ended 31 December 2021 and the year ended 31 December 2023.



Adjusted EBITDA increased by \$17.0 million, or 64.4 per cent., from \$26.4 million for the year ended 31 December 2022 to \$43.5 million for the year ended 31 December 2023, due to significant growth in revenues.

Adjusted EBITDA increased moderately by \$0.7 million, or 2.7 per cent., from \$25.7 million for the year ended 31 December 2021 to \$26.4 million for the year ended 31 December 2022, due to increases in revenues offset by a lower gross profit percentage.

## Working Capital

The following table sets out a breakdown of our inventory for the years ended 31 December 2021, 2022 and 2023:

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
Raw materials and components.....	25,682	36,459	67,309
Finished goods for resale .....	14,894	11,430	40,748
<b>Total.....</b>	<b>40,576</b>	<b>47,889</b>	<b>108,057</b>

Inventories increased by \$60.2 million, or 125.7 per cent., from \$47.9 million for the year ended 31 December 2022 to \$108.1 million for the year ended 31 December 2023, due to (i) increased purchases of DRAM in 2023, (ii) an increase in components as well as finished SBCs and compute modules held as inventory following the end of the silicon supply shortages, and (iii) the increased inventory required to support the growing focus on sales through the direct distribution channel. In 2023, we purchased \$35 million worth of memory chips, hedging forward requirements to ensure medium-term price certainty.



Inventories increased by \$7.3 million, or 18.0 per cent., from \$40.6 million for the year ended 31 December 2021 to \$47.9 million for the year ended 31 December 2022, due to increased holdings of RP2040 microprocessor chips and other semiconductor components for SBCs, together with higher holdings of accessories due to the slowdown in their sales.

Trade and other receivables increased by \$13.8 million, or 53.1 per cent., from \$26.0 million for the year ended 31 December 2022 to \$39.8 million for the year ended 31 December 2023. This increase was due to a rise in sales during the second half of 2023.

Trade and other receivables increased by \$5.3 million, or 25.6 per cent., from \$20.7 million for the year ended 31 December 2021 to \$26.0 million for the year ended 31 December 2022. This increase was due to high levels of activity in the last month of 2022.

Trade payables increased by \$44.4 million, or 246.7 per cent., from \$18.0 million for the year 31 December 2022 to \$62.4 million for the year ended 31 December 2023. This increase was due to higher activity in the second half of 2023 and an increase in the payables for memory inventory acquired in late 2023.

Trade payables increased by \$2.8 million, or 18.4 per cent., from \$15.2 million for the year 31 December 2021 to \$18.0 million for the year ended 31 December 2022. This increase was due to higher activity in the last quarter of 2022.

### **Liquidity and capital resources**

We manage our cash flow requirements based on our overall strategy and objectives. We manage liquidity risk by maintaining adequate cash reserves and access to banking facilities and by continuously monitoring forecasts and actual cash flows. We make funding decisions based on internal and external factors, including required amounts and the timing of outflows, the internal and external availability of funds, the costs of financing and other strategic objectives.

Our primary sources of liquidity are the cash flows we generate from our operations, retained cash balances and third-party credit and overdraft facilities. We primarily use our liquidity to fund our operations and continue investment in new products and software. In the medium term, we expect to fund our growth primarily through internally generated cash flows, as supplemented by the net proceeds from the sale of the New Shares pursuant to the Global Offer.

Our working capital requirements benefit from our Licensee having to bear the working capital requirements associated with the higher cost products sold by it. However, notwithstanding the lower cost of the products sold by us through the direct distribution channel, the inventory and receivables that we must maintain to support this channel have resulted in our working capital requirements increasing during the periods under review, particularly as the proportion of total unit sales through this channel versus the licensee channel has increased.

### ***Cash flows***

The following table sets out financial information extracted from the cash flow statements for the years ended 31 December 2021, 2022 and 2023.

	For the year ended 31 December		
	2021	2022	2023
		(\$'000)	
Net cash generated from operating activities .....	510	14,339	16,485
Net cash used in investing activities .....	(7,380)	(10,745)	(23,098)
Net cash generated from/(used in) financing activities ....	40,249	(5,499)	15,837
Net increase/(decrease) in cash and cash equivalents .....	33,379	(1,905)	9,224
Cash and cash equivalents at beginning of year.....	1,055	34,429	32,843
Effect of exchange rates on cash and cash equivalents .....	(5)	319	140
<b>Cash and cash equivalents at end of year.....</b>	<b>34,429</b>	<b>32,843</b>	<b>42,207</b>

#### *Net cash generated from operating activities*

Net cash generated from operating activities increased by \$2.2 million, or 15.4 per cent., from \$14.3 million for the year ended 31 December 2022 to \$16.5 million for the year ended 31 December 2023, due to increased profits, offset by higher outflows into working capital as business activity increased with the return to adequate supply.

Net cash generated from operating activities increased significantly by \$13.8 million, a nearly 28x increase, from \$0.5 million for the year ended 31 December 2021 to \$14.3 million for the year ended 31 December 2022. This increase was primarily due to lower outflows into working capital after the increase in direct distribution sales during 2021 increased working capital.

#### *Net cash used in investing activities*

Net cash used in investing activities increased by \$12.4 million, or 115.9 per cent., from \$10.7 million for the year ended 31 December 2022 to \$23.1 million for the year ended 31 December 2023, primarily due to ongoing growth in capital expenditure.

Net cash used in investing activities increased by \$3.4 million, or 45.9 per cent., from \$7.4 million for the year ended 31 December 2021 to \$10.7 million for the year ended 31 December 2022, due to higher capital expenditure.

#### *Net cash generated from / (used in) financing activities*

Net cash generated from financing activities was an outflow of \$5.5 million for the year ended 31 December 2022 compared to an inflow of \$15.8 million for the year ended 31 December 2023 as a result of cash from share issues of \$15.1 million in 2023 together with no dividends paid in 2023 (2022 dividend paid was \$5 million).

Net cash of \$40.2 million was generated from financing activities in the year ended 31 December 2021. Net cash of \$5.5 million was used in financing activities in the year ended 31 December 2022. The change was due to cash proceeds from share issues of \$44.9 million in 2021, which was not repeated in 2022.

### ***Commitments and Contingent Liabilities***

During the periods under review, our contractual commitments principally comprised property leases in Cambridge, UK, as well as our contractual commitment with respect to a 17,000 square foot warehouse in Suffolk.

In July 2022, RPL entered into a commitment to purchase licences for intellectual property and related tools over the period to July 2025. The value of the outstanding commitment at 31 December 2023 was \$5.6 million (31 December 2022 - \$9.1 million; 31 December 2021 - \$nil).

To ensure the continuing supply of key components to meet forecast demand, RPL has entered into long-term supply agreements and placed orders with major suppliers and distributors. Under the agreements, RPL expects to purchase components with a value of \$466 million (31 December 2022 - \$360 million; 31 December 2021 - \$nil) over a period of four years for use in the manufacture of products for sale by itself and its Licensee.

We had the following contractual commitments as of 31 December 2021, 2022 and 2023:

	<b>For the year ended 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
		(\$'000)	
<b>Lease liabilities</b>			
Less than one year.....	365	326	1,681
Between one and five years.....	979	979	5,782
Over five years.....	871	544	279
<b>Lease liabilities total.....</b>	<b>2,215</b>	<b>1,849</b>	<b>7,742</b>
<b>Other long term liabilities</b>			
Between two and five years .....	—	3,000	4,260
<b>Total.....</b>	<b>2,215</b>	<b>4,849</b>	<b>12,002</b>

### **Capital Expenditure**

The table below shows our capital expenditure for the years ended 31 December 2021, 2022 and 2023.

	<b>For the year ended 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
		(\$'000)	
Capitalised internally developed assets.....	4,584	7,017	14,410
Purchase of intangible fixed assets.....	—	1,589	4,811
Purchase of property, plant and equipment .....	2,796	2,139	3,877
<b>Total.....</b>	<b>7,380</b>	<b>10,745</b>	<b>23,098</b>

Capital expenditure during the periods under review principally comprised investments in the development of new SBCs and compute modules, together with licenses and engineering for new microcontrollers and other semiconductor investments.

In the year ended 31 December 2023, \$1.3 million was spent on plant and equipment and \$1.1 million was invested in the new warehouse in Suffolk.

In the year ended 31 December 2023, a net amount of \$25.6 million was invested in intangible assets, a \$12 million, or 88 per cent., increase as compared to the year ended 31 December 2022. Of this expenditure, an amount of \$16.3 million of internal resource and related third party costs were capitalised as product development costs in the year ended 31 December 2023 compared to \$8.1 million in the year end 31 December 2022. Other intangible assets of \$9.3 million, net of disposals, were acquired for cash and non-cash consideration during the year ended 31 December 2023, a \$3.7 million, or 66 per cent., increase from \$5.6 million for the year ended 31 December 2022. These other intangible assets were principally intellectual property in respect of the design of semiconductors for the use in future boards and microcontrollers. The increase in Right of Use assets arose from a lease for a larger head office and the lease of a new, larger warehouse. The increases in space will enable the Company to continue to grow and handle higher volumes of products and sales.

In the year ended 31 December 2022, within plant and equipment expenditure, \$1.8 million was spent on plant and machinery, including \$1.1 million spent on equipment to aid the design of semiconductor products. During 2022, \$7.0 million was capitalised as product development cost and \$4.6 million was capitalised in the year ended 31 December 2021. The higher capitalisation in 2022 was principally due to increased expenditure on the development of further products.

In the year ended 31 December 2021, within property, plant and equipment expenditure, \$2.5 million was spent on plant and machinery, including \$0.7 million spent on masks and tool use in the production on the RP2040 microcontroller. A further \$0.5 million was invested in machinery specifically used to test the RP2040 microcontroller prior to being reeled ready for sale. During 2021, an amount of \$4.6 million was capitalised as product development cost.

## **Borrowings**

On 24 April 2024, RPL amended and extended the Revolving Credit Facility with Barclays Bank plc as original lender, pursuant to which it is able to borrow up to \$40 million (or equivalent in optional currencies) (of which \$5 million is available as an overdraft facility) through to 24 April 2027. The Revolving Credit Facility may be extended to 24 April 2028 and again to 24 April 2029 with the consent of the lenders. The Revolving Credit Facility is used to fund the general corporate purposes of RPL and its subsidiaries. The Revolving Credit Facility has covenants requiring that RPL maintain an adjusted leverage (total debt to adjusted EBITDA as further adjusted for certain capitalised research and development costs) ratio not exceeding 2.5:1 prior to the Global Offer and 3:1 following the conclusion of the Global Offer and an interest coverage ratio not less than 4:1. These covenants have not been breached. The interest rate on the Revolving Credit Facility is comprised of the margin plus either the compounded risk-free rates (secured overnight financing rate for U.S. dollars and sterling overnight index average for pounds sterling) or euro interbank offered rate for euros.

The Revolving Credit Facility is secured by a fixed and floating charge dated 30 March 2024 (as supplemented by a supplemental fixed floating charge dated 24 April 2024) granted by RPL in favour of Barclays Bank plc as security agent. The security agreement includes a fixed charge over all of RPL's bank accounts, certain insurances, shares and investments and all of its intellectual property. It also includes a floating charge over all of its goodwill and call capital and all of its present and future undertaking and assets.

As of the Reference Date, we did not have any drawings under the Revolving Credit Facility.

### **Off-balance sheet arrangements**

The Company has no off-balance sheet arrangements.

### **Recent accounting pronouncements**

For information on the nature and effect of recent accounting pronouncements, including standards and interpretations that are issued but not yet effective or adopted by us, see Note 2.1 of Part XIII: “*Historical Financial Information*”.

### **Quantitative and Qualitative Disclosures about Market Risks**

The principal categories of financial risk to which we are exposed are credit risk, liquidity risk, interest rate risk and foreign currency risk and capital management risk. For a description of our management of these risks, see Note 26 of Part XIII: “*Historical Financial Information*”.

### **Significant accounting policies**

For a description of our significant accounting policies, see Note 2 of Part XIII: “*Historical Financial Information*”.

### **Critical accounting policies, estimates and judgements**

For a description of our critical accounting estimates and key sources of estimation uncertainty, see Note 2.24 of Part XIII: “*Historical Financial Information*”.

## PART XII

### CAPITALISATION AND INDEBTEDNESS STATEMENT

The following table sets out the Existing Group's capitalisation as at 31 March 2024, being a date within 90 days of the date of this Prospectus.

You should read this table together with Part XI: "*Operating and Financial Review*".

#### Statement of capitalisation<sup>(1)</sup>

	As at 31 March 2024 (unaudited)
	(\$'000)
<b>Current debt</b>	
Guaranteed .....	—
Secured <sup>(2)</sup> .....	10,000
Unguaranteed/unsecured .....	4,257
<b>Total current debt</b> .....	<b>14,257</b>
<b>Non-current debt (excluding current portion of non-current debt)</b>	
Guaranteed .....	—
Secured <sup>(2)</sup> .....	—
Unguaranteed/unsecured .....	6,777
<b>Total non-current debt</b> .....	<b>6,777</b>
<b>Shareholder equity</b>	
Share capital .....	—
Other reserves <sup>(3)</sup> .....	1,718
Legal reserves <sup>(4)</sup> .....	66,216
<b>Total shareholder equity</b> .....	<b>67,934</b>
<b>Total capitalisation</b> .....	<b>88,968</b>

#### Notes:

- (1) This statement of capitalisation has been extracted without material adjustment from the Existing Group's unaudited accounting records as at 31 March 2024.
- (2) The Revolving Credit Facility is secured by a debenture granted by RPL in favour of Barclays Bank plc.
- (3) Other reserves represents the Existing Group's share-based payment reserve. This reserve is used to recognise the grant date fair value of growth shares issued to employees as legally held in the Raspberry Pi (Trading) Employee Benefit Trust.
- (4) Legal reserves represents the Share premium account. The Share premium account records the amount above the nominal value received for shares issued, less transaction costs.

## Statement of indebtedness<sup>(1)</sup>

The following table sets out the Existing Group's net financial indebtedness as at 31 March 2024, being a date within 90 days of the date of this Prospectus.

You should read this table together with Part XI: “*Operating and Financial Review*”.

	<b>As at 31 March 2024 (unaudited)</b>
	<u>(\$ '000)</u>
Cash .....	6,165
Cash equivalents .....	—
Other current financial assets .....	—
<b>Liquidity</b> .....	<b>6,165</b>
Current financial debt (including debt instruments, but excluding current portion of non-current debt) .....	(10,000)
Current portion of non-current financial debt <sup>(2)</sup> .....	(4,257)
<b>Current financial indebtedness</b> .....	<b>(14,257)</b>
<b>Net current financial indebtedness</b> .....	<b>(8,092)</b>
Non-current financial debt (excluding current portion and debt instruments) .....	(6,777)
Debt instruments .....	—
Non-current trade and other payables .....	—
<b>Non-current financial indebtedness</b> .....	<b>(6,777)</b>
<b>Total financial indebtedness</b> .....	<b>(14,869)</b>

### Notes:

- (1) This statement of indebtedness has been extracted without material adjustment from the Existing Group's unaudited accounting records as at 31 March 2024.
- (2) In July 2022, RPL entered into a commitment to purchase licenses for intellectual property and related tools over the period until July 2025. The value of the outstanding commitment at 31 March 2024 was \$4.3 million.
- (3) To ensure the continuing supply of key components to meet forecast demand, RPL has entered into long term supply agreements and placed orders with major suppliers and distributors. Under the agreements, as at 31 March 2024 RPL expects to purchase components with a value of \$428 million over a period of four years for use in the manufacture of products for sale by itself and its licensee.
- (4) The Existing Group has no other indirect or contingent liabilities, or any contingent commitments.



## **PART XIII**

### **HISTORICAL FINANCIAL INFORMATION**

#### **Section A: Accountant's Report on the Historical Financial Information of the Existing Group**



The Directors  
Raspberry Pi Holdings plc  
194 Cambridge Science Park  
Milton Road  
Cambridge  
CB4 0AB

11 June 2024

Dear Sir/Madam

#### **Raspberry Pi Ltd and its Subsidiary Undertakings – Accountant's Report on Historical Financial Information**

We report on the consolidated historical financial information of Raspberry Pi Ltd and its subsidiary undertakings (together, the “Existing Group”) for the three years ended 31 December 2023 (the “Historical Financial Information”), as set out in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII of Raspberry Pi Holdings plc’s prospectus dated 11 June 2024 (the “Prospectus”).

#### **Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Existing Group as at 31 December 2021, 31 December 2022 and 31 December 2023, and of its profits, cash flows, statement of comprehensive income, and changes in equity for each of the three years ended 31 December 2023 in accordance with United Kingdom adopted International Financial Reporting Standards.

#### **Responsibilities**

The directors of Raspberry Pi Holdings plc are responsible for preparing the Historical Financial Information in accordance with United Kingdom adopted International Financial Reporting Standards.

It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.5R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex 1 of the United Kingdom version of Regulation number 2019/980 of the European Commission, which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018 (the “PR Regulation”), consenting to its inclusion in the Prospectus.

**Basis of preparation**

The Historical Financial Information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in Note 2 to the Historical Financial Information.

This report is required by Item 18.3.1 of Annex 1 of the PR Regulation and is given for the purpose of complying with that item and for no other purpose.

**Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (the “FRC”) in the United Kingdom. We are independent of the Existing Group and of Raspberry Pi Holdings plc in accordance with relevant ethical requirements, which in the United Kingdom is the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Existing Group’s ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report.

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 Existing Group’s ability to continue as a going concern for a period of at least twelve months from the date of the Prospectus for which the Historical Financial Information and this report were prepared.

In forming our opinion on the Historical Financial Information, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the Historical Financial Information is appropriate.

**Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex 1 of the PR Regulation.

Yours faithfully

GRANT THORNTON UK LLP

**Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023.**

**Consolidated Statement of Comprehensive Income for the three years ended 31 December 2021, 2022 and 2023**

	Notes	2021	2022	2023
			(\$'000)	
Revenue .....	3	140,587	187,859	265,797
Cost of sales .....		(98,670)	(145,579)	(199,842)
<b>Gross Profit</b> .....		<b>41,917</b>	<b>42,280</b>	<b>65,955</b>
Administrative expenses .....		(11,793)	(13,794)	(17,650)
Research and development expenses .....	2	(11,124)	(9,251)	(10,582)
Foreign exchange (losses)/gains .....		(272)	833	(191)
Other operating income .....	5	37	—	—
<b>Operating Profit</b> .....	6	<b>18,765</b>	<b>20,068</b>	<b>37,532</b>
Finance income .....	7	—	49	1,443
Finance costs .....	7	(292)	(29)	(779)
<b>Profit before taxation</b> .....		<b>18,473</b>	<b>20,088</b>	<b>38,196</b>
Taxation .....	9	(3,622)	(3,021)	(6,624)
<b>Profit for the year and Total Comprehensive Income</b> .....		<b>14,851</b>	<b>17,067</b>	<b>31,572</b>
<b>Earnings per Share (\$)</b>				
<b>Basic EPS</b> .....	10	144	155	283
<b>Diluted EPS</b> .....	10	131	141	258

There are no recognised gains and losses other than those passing through the Consolidated Statement of Comprehensive Income.

All activities relate to continuing operations. All the profit for the period is attributable to the equity holders of the Company.

The accompanying notes are an integral part of the Historical Financial Information.

## Consolidated Statement of Financial Position as at 31 December 2021, 2022 and 2023

	Notes	31 December 2021	31 December 2022	31 December 2023
(\$ '000)				
ASSETS				
Non-Current Assets				
Intangible assets.....	14	25,807	35,535	58,634
Property, plant and equipment .....	11	3,559	3,721	5,078
Right of use assets .....	12	1,679	1,387	6,719
Other assets.....	13	—	—	2,698
Total Non-Current Assets .....		31,045	40,643	73,129
Current Assets				
Inventories .....	15	40,576	47,889	108,057
Trade and other receivables .....	16	20,734	26,027	39,760
Cash and cash equivalents .....	17	34,429	32,843	42,207
Current Tax asset .....		—	—	2,201
Total Current Assets.....		95,739	106,759	192,225
Total Assets .....		126,784	147,402	265,354
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables .....	18	(22,543)	(26,494)	(81,190)
Provisions .....	19	—	—	(445)
Lease liabilities.....	21	(165)	(263)	(1,252)
Current tax Liability .....	9	(390)	(762)	—
Total Current Liabilities .....		(23,098)	(27,519)	(82,887)
Non-Current Liabilities				
Lease liabilities.....	21	(1,951)	(1,359)	(5,828)
Deferred Tax Liabilities.....	9	(6,214)	(7,673)	(10,244)
Other long term liabilities .....	22	—	(3,700)	(6,425)
Provisions .....		—	—	(756)
Total Non-Current Liabilities.....		(8,165)	(12,732)	(23,253)
Total Liabilities .....		(31,263)	(40,251)	(106,140)
Net Assets .....		95,521	107,151	159,214
Equity				
Share capital .....	24	—	—	—
Share premium.....	24	44,912	44,931	65,395
Retained earnings .....		48,892	60,914	92,486
Share-based payment reserve.....	24	1,717	1,306	1,333
Total Equity .....		95,521	107,151	159,214

## Consolidated Statement of Changes in Equity

	Share Capital	Share premium	Retained Earnings	Share- based payment reserve	Total
			(\$'000)		
<b>BALANCE AT 1 January 2021 .....</b>	<b>—</b>	<b>18</b>	<b>38,082</b>	<b>513</b>	<b>38,613</b>
Profit for the financial year .....	—	—	14,851	—	14,851
<b>Total Comprehensive income for the year ...</b>	<b>—</b>	<b>—</b>	<b>14,851</b>	<b>—</b>	<b>14,851</b>
Issue of shares .....	—	44,894	—	—	44,894
Dividend paid .....	—	—	(4,041)	—	(4,041)
Share based payment charge .....	—	—	—	1,204	1,204
<b>Transactions with owners in their capacity as owners .....</b>	<b>—</b>	<b>44,894</b>	<b>(4,041)</b>	<b>1,204</b>	<b>42,057</b>
<b>BALANCE AT 31 December 2021 .....</b>	<b>—</b>	<b>44,912</b>	<b>48,892</b>	<b>1,717</b>	<b>95,521</b>
Profit for the financial year .....	—	—	17,067	—	17,067
<b>Total Comprehensive income for the year ...</b>	<b>—</b>	<b>—</b>	<b>17,067</b>	<b>—</b>	<b>17,067</b>
Issue of shares .....	—	19	—	—	19
Dividends paid .....	—	—	(5,045)	—	(5,045)
Share based payment credit .....	—	—	—	(411)	(411)
<b>Transactions with owners in their capacity as owners .....</b>	<b>—</b>	<b>19</b>	<b>(5,045)</b>	<b>(411)</b>	<b>(5,437)</b>
<b>BALANCE AT 31 December 2022 .....</b>	<b>—</b>	<b>44,931</b>	<b>60,914</b>	<b>1,306</b>	<b>107,151</b>
Profit for the financial year .....	—	—	31,572	—	31,572
<b>Total Comprehensive income for the year ...</b>	<b>—</b>	<b>—</b>	<b>31,572</b>	<b>—</b>	<b>31,572</b>
Issue of shares .....	—	20,464	—	—	20,464
Share based payment charge .....	—	—	—	27	27
<b>Transactions with owners in their capacity as owners .....</b>	<b>—</b>	<b>20,464</b>	<b>—</b>	<b>27</b>	<b>20,491</b>
<b>BALANCE AT 31 December 2023 .....</b>	<b>—</b>	<b>65,395</b>	<b>92,486</b>	<b>1,333</b>	<b>159,214</b>

## Consolidated Statement of Cash Flows for the three years ended 31 December 2021, 2022 and 2023

	Notes	2021	2022	2023
			(\$'000)	
<b>Cash flows from Operating Activities</b>				
<b>Profit before tax</b> .....		<b>18,473</b>	<b>20,088</b>	<b>38,196</b>
Adjustments for:				
Depreciation of Property, Plant and Equipment.....	11	1,404	1,977	2,283
Amortisation of Intangible Assets .....	14	2,113	2,879	3,017
Depreciation and Impairment of Right of use of Assets.....	12	292	292	837
Loss on asset disposal .....		—	—	237
Finance Costs.....		292	29	779
Finance Income.....		—	(49)	(1,443)
Research and development tax credit .....		—	(490)	(500)
Net exchange differences .....		(31)	(321)	(140)
Share-based payment expense/(credit) .....	24	1,204	(411)	27
<b>Adjustments to Profit before Taxation</b> .....		<b>5,274</b>	<b>3,906</b>	<b>5,097</b>
Increase in other assets.....				(2,698)
(Increase) in trade and other receivables.....	16	(6,479)	(5,293)	(13,733)
(Increase) in inventories .....	15	(21,660)	(7,313)	(60,168)
Increase in trade and other payables .....	18	4,902	2,951	54,085
Increase in provision .....				445
Tax paid .....	9	—	—	(4,739)
<b>Net cash generated from operating activities</b> .....		<b>510</b>	<b>14,339</b>	<b>16,485</b>
<b>Cash flows from investing activities</b>				
Capitalized internally developed assets .....	14	(4,584)	(7,017)	(14,410)
Purchase of intangible fixed assets .....		—	(1,589)	(4,811)
Purchase of property, plant and equipment.....	11	(2,796)	(2,139)	(3,877)
<b>Net cash used in investing activities</b> .....		<b>(7,380)</b>	<b>(10,745)</b>	<b>(23,098)</b>
<b>Cash flows from financing activities</b>	28			
Repayment of loans and borrowings .....		(15,154)	—	—
Loans drawn down.....		15,190	—	—
Dividend paid.....		(4,041)	(5,045)	—
Finance costs paid.....	7	(234)	(157)	(331)
Interest received on cash deposits.....		—	49	1,443
Cash proceeds from share issue.....	24	44,894	19	15,128
Payment of lease liabilities.....	21	(325)	(302)	(250)
Interest on lease liabilities .....	21	(81)	(63)	(153)
<b>Net cash generated from/(used in) financing activities</b> .....		<b>40,249</b>	<b>(5,499)</b>	<b>15,837</b>
<b>Net increase/(decrease) in cash and cash equivalents</b> .....		<b>33,379</b>	<b>(1,905)</b>	<b>9,224</b>
Cash and cash equivalents at beginning of year.....		1,055	34,429	32,843
Effect of exchange rates on cash and cash equivalents .....		(5)	319	140
<b>Cash and cash equivalents at end of year</b> .....	16	<b>34,429</b>	<b>32,843</b>	<b>42,207</b>

## Notes to the Historical Financial Information

### 1 General information

Raspberry Pi Ltd (formerly Raspberry Pi (Trading) Limited) (“RPL”) is a company incorporated and domiciled in the United Kingdom. The address of its registered office is 194 Cambridge Science Park, Milton Road, Cambridge, England, CB4 0AB. The registered number is 08207441.

On 10 August 2021, Raspberry Pi (Trading) North America Inc, was incorporated in Delaware as a wholly owned subsidiary of RPL. The address of its registered office is 2810 N. Church St. Wilmington, DE 19802-4447. Its registered number is 6154934.

On 1 November 2023, Raspberry Pi Ireland Limited was incorporated in Ireland as a wholly owned subsidiary of RPL. The address of its registered office is 3 Dublin Landings, North Wall Quay, Dublin DO1 C4EO. Its registered number is 104955.

The principal activity of RPL and its subsidiaries (together the “Existing Group”) is the development, marketing, manufacture and sale of cost-effective programmable computing devices.

### 2 Accounting policies

#### 2.1 Basis of preparation

##### Statement of compliance

The Historical Financial Information for the three years ended 31 December 2023 has been prepared for inclusion in the Prospectus of the Company solely to provide information about Raspberry Pi Holdings plc.

This Historical Financial Information has been prepared in accordance with the UK version of commission delegated regulation (EU) 2019/980 of the European Parliament and of the Council which is part of UK law by virtue of the European Union (Withdrawal) Act of 2018 and in accordance with this basis of preparation. All accounting policies have been applied consistently, unless otherwise stated. The Historical Financial Information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

The Historical Financial Information has been prepared in accordance with UK-adopted International Financial Reporting Standards (“IFRS”). The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which are measured at fair value. The accounting framework adopted is that to be applied in the next statutory financial statements for the year ending 31 December 2024.

The Historical Financial Information is the consolidated financial information of the Existing Group.

##### Basis of preparation

The parent company and its subsidiaries have a functional and presentational currency of U.S. dollars. The Historical Financial Information is rounded to the nearest \$’000 unless stated otherwise.

A number of new or amended standards became applicable for the current reporting period. The Existing Group was not required to change its accounting policies or make retrospective adjustments as a result of adopting these standards.



## Notes to the Historical Financial Information

The International Accounting Standards (“IAS”) Board and IFRS Interpretation Committee have issued the following new standards with an effective date for financial periods ending on or after the dates disclosed below:

- Amendment to IFRS 16 – Leases on sale and leaseback (effective annual periods beginning on or after 1 January 2024)
- Amendment to IAS 1 – Non-current liabilities with covenants (effective annual periods beginning on or after 1 January 2024)
- Amendment to IAS 7 and IFRS 7 – Supplier finance (effective annual periods beginning on or after 1 January 2024)
- Amendments to IAS 21 – Lack of Exchangeability (effective annual periods beginning on or after 1 January 2025, early adoption available)

The Existing Group has performed a preliminary assessment of the impact of adopting the above and concluded that adopting them would not result in any material adjustments to the reported financial results or financial position of RPL or the Existing Group.

RPL did not implement the requirements of any other Standards of Interpretation that were in issue but were not required to be adopted by RPL at the year-end date. No other Standards of Interpretation have been issued that are expected to have a material impact on the Historical Financial Information.

### 2.2 Basis of consolidation

The Historical Financial Information presents the results of RPL and its subsidiaries (including structured entities). Intercompany transactions and balances between RPL and its subsidiaries are therefore eliminated in full.

Subsidiaries are entities over which RPL is exposed or has rights to variable returns from its involvement with the subsidiary, and it can affect those returns through its power over the subsidiary. RPL can direct decisions through its ownership and, if applicable, voting rights. To date, all RPL’s subsidiaries have been created by, rather than acquired by, RPL, and no subsidiaries have been closed or otherwise disposed of.

### 2.3 Going concern

The Historical Financial Information has been prepared on the going concern basis. The Directors have formed the view that the Existing Group will generate sufficient cash to meet its ongoing requirements for at least 12 months from the date of approval of the Historical Financial Information. At 31 December 2023, the Existing Group had \$42.2 million in cash and cash equivalents on its Consolidated Statement of Financial Position, sufficient to support the business for at least the next 12 months from the date of approval of the Historical Financial Information.

Management continues to take appropriate action to monitor, identify, address and mitigate any major uncertainties facing the business. On this basis, the Directors have formed the view that the Existing Group will generate sufficient cash to meet its ongoing liabilities as they fall due for at least the next 12 months and, accordingly, the going concern basis has been adopted.

## 2.4 Revenue recognition

The Existing Group's revenue is derived from the sale of products (direct distribution channel sales) royalty payments (licensee channel sales), component sales and publishing sales. To determine whether to recognise revenue, the Existing Group follows a five-step process:

- Identifying the contract with a customer.
- Identifying the performance obligations.
- Determining the transaction price.
- Allocating the transaction price to the performance obligations.
- Recognising revenue when or as performance obligations are satisfied.

Revenue is recognised net of sales taxes and the Existing Group does not provide extended terms on its services and therefore no significant financing components are identified by the Existing Group for all revenue streams.

There is no variable consideration and therefore no judgements around constraint of revenue streams.

Where a customer is permitted to return an item, revenue is currently recognised when a reasonable estimate of the return can be made, provided that all other criteria for revenue recognition are met.

### **Sale of products (direct distribution channel sales)**

The Existing Group's product revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no judgement involved in allocating the contract price to each unit as there is a fixed unit price for each product sold. Revenue from the sale of products (direct distribution channel sales) is recognised in the Consolidated Statement of Comprehensive Income when performance obligations have been met and control of the product has transferred, which is when the customer has taken undisputed delivery of the goods or for retail sales when the item has been provided to the customer for immediate possession.

### **Royalty income (licensee channel sales)**

Royalty income (licensee channel sales) is derived from the licence of the right to manufacture and distribute RPL's product by licensee partners. The transaction price for each royalty arrangement is on a basis of fixed price per unit sold in line with contractual terms. Revenue is recognised in line with contractual arrangements with the licensee when the subsequent usage of the royalty agreement occurs, either when the licensee partners have passed control to the buyer, usually on delivery of the goods, or upon delivery of the finished board by our Contract Manufacturer to the licensee partner. This usage occurs later than the point at which the predominant performance obligation is satisfied, being the granting of rights under the royalty agreement.

The agreement contains a number of other activities which RPL promises to provide. Management have judged that these other activities do not significantly change the functionality of the products and therefore do not significantly affect the intellectual property provided; nor are they individually significant or material. Management therefore consider that the promise made in granting the licence is not that of providing a Right of Access to Raspberry Pi's intellectual property but is instead that of providing a Right to Use licence of Raspberry Pi's intellectual property. Where the royalty relates to both the licence of the right to manufacture and distribute RPL's products and the sale of components, the latter is recognised within component revenues as it is treated as a separate performance obligation.

## Notes to the Historical Financial Information

On occasion, royalty income is received in advance of the point at which the royalty performance obligation is fulfilled in accordance with the licensee contract. In such instances, a contract liability is recognised which is only released to the Consolidated Statement of Comprehensive Income when the related goods are sold by the licensee partner.

### Other revenue (publishing sales)

The Existing Group's other revenue is derived from the sale of magazines and books. Revenue is measured with reference to the amount invoiced to the customer for each unit sold. The performance obligations relating to other income have been met when the customer has taken undisputed delivery of the goods and revenue is subsequently recognised in the Consolidated Statement of Comprehensive Income. In addition to selling individual magazines, subscriptions to magazines are also offered and the income is recognised over time, based on the length of the subscription, which varies from 3 to 12 months.

Other revenue is also derived from advertisements in magazines published by RPL. Advertising revenue is recognised in the month in which the issue of the relevant magazine is released for sale. Amounts paid in advance for advertisements to be placed in future issues of magazines are held within contract liabilities.

### Components income

As mentioned in the paragraph "*Royalty income (licensee channel sales)*" above, components income is derived from the sale of components directly to the licensees. Components income is also derived from the sale of components to the contract manufacturer to be used in the manufacture of single board computers. Some of these single board computers are manufactured for the Existing Group's licensee partner. The sale of these components to the manufacturer represents their invoiced value and is accounted for in revenue when control of the components is transferred to the manufacturer.

Some of the single board computers are manufactured for and repurchased by the Existing Group. In these instances, the sale of the components to the manufacturer is recognised as a repurchase liability. Revenue is not recognised on the sale of such components. Any margin made on the sale of the components to the manufacturer is recognised only at the point that control of the finished goods is transferred from the Existing Group to the end customer. When the finished goods are repurchased by the Existing Group, the repurchase liability is released. At this point, the components in inventory are transferred to finished goods.

## 2.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets and liabilities are recognised in the Consolidated Statement of Financial Position when the Existing Group becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

## Notes to the Historical Financial Information

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Consolidated Statement of Comprehensive Income.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

### **Financial assets**

#### ***Trade and other receivables/payables***

Trade and other receivables are recognised initially at transaction price, less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables are considered to be short-term, non-interest bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value. Trade payables consist of amounts payable to suppliers for goods and services in the ordinary course of business. Trade and other payables are measured at amortised cost using the effective interest method. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Existing Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. Funds held on money market deposit are included within cash and cash equivalents as they are highly liquid and are accessible on demand within 24 hours. Their proximity to maturity means that they present insignificant risks of changes in value arising from changes in interest rates as well as certainty of returns at the point of investment.

#### ***De-recognition of financial assets***

The Existing Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Existing Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is de-recognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Consolidated Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Existing Group is recognised as a separate asset or liability.

## **Financial liabilities and equity**

### ***Classification as debt or equity***

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

### ***Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

### ***Equity instruments***

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

### ***De-recognition of financial liabilities***

The Existing Group derecognises financial liabilities when the Existing Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Comprehensive Income.

## **2.6 Segmental reporting**

The Existing Group determines and presents operating segments based on the information that is provided internally to the Board of Directors, which is the Existing Group's Chief Operating Decision Maker (the "CODM").

It is the view of the Directors that the Existing Group has a single operating segment, as defined by IFRS 8: Operating Segments, being the manufacture and sale of cost-effective programmable computing devices. The CODM makes operating decisions for a single operating unit and operating performance is assessed as a single operating segment. The information used by the CODM is consistent with, and prepared on the same basis as, that presented in the Historical Financial Information. Further, there are no separately identifiable assets attributable to any separate business activity or business unit.

## **2.7 Government grants**

Government grants are not recognised until there is reasonable assurance that the Existing Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Consolidated Statement of Comprehensive Income within other operating income.

Other operating income is derived from the Coronavirus Job Retention Scheme grant.

During the year ended 31 December 2021, the CJRS grant relates to staff who were furloughed due to COVID-19. Other operating income includes payments received from HMRC which were claimed in

## Notes to the Historical Financial Information

respect of staff in the Existing Group's retail store during the period of closure of non-essential shops and during the subsequent periods of reduced opening hours. The CJRS grant has been recognised in the Consolidated Statement of Comprehensive Income on a systematic basis over the period in which the Existing Group has recognised as expenses the salary related costs for which the grant was intended to compensate, as per IAS 20. There were no unfulfilled conditions attached to the CJRS grant.

### 2.8 Finance income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate ("EIR") applicable. EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Consolidated Statement of Comprehensive Income.

### 2.9 Finance costs

Finance costs comprise interest payable on leases and in respect of bank borrowings and is expensed in the period in which it is incurred. Fees paid for the provision of bank facilities are amortised over the expected life of the facility.

Finance costs also include unrealised foreign exchange gains and losses arising from the retranslation of lease liabilities held in currencies other than RPL's functional currency.

### 2.10 Freight costs

The Existing Group considers the costs of shipping its products to the customer to be directly associated with generating revenue and therefore presents these costs within cost of sales.

### 2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated standard useful lives are as follows:

- Plant and equipment – 3 years.
- Office and computer equipment – 3 years.
- Leasehold improvements – 10 years or over the period of the lease, if shorter.
- Shop fit-out - over the period of the lease.

The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 2.12 Intangible assets

### (i) Separately acquired intangible assets

Intangible assets acquired separately are measured at the cost on initial recognition.

Intangible assets with a finite useful life, that are acquired separately, are carried at cost less accumulated amortisation and impairment losses. These intangible assets are amortised on a straight-line basis over their remaining useful lives as follows:

- Intellectual property – 3-4 years
- Designs and trademarks – 3 years
- Publication brand names – 2 years

### (ii) Internally developed intangible assets

Expenditure on the research phase of projects to develop new hardware and software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

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

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs, including employee costs incurred on software developed for future products, are capitalised, as they are considered part of the cost intrinsic to the development of the product intended for sale and contribute to the future economic benefit arising from the product. However, where software is developed under open-source standards for existing products, no future economic benefit is considered to flow from the software. The entity does not consider the software to be controlled by the entity in this case. As the software is provided on this basis, the software is not considered to meet the criteria of an asset and is recognised as an expense. Software engineering resource engaged in maintaining and fixing bugs in existing software is also expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation begins when development is complete and the asset is available for use and is charged to research and development expenses. The estimated useful lives are as follows:

- Internally Developed Intangible Assets – 3 to 6 years.

The estimated useful life, amortisation rate and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than the recoverable amount. Any capitalised



## Notes to the Historical Financial Information

internally developed hardware or software that is not yet complete is not amortised but is subject to impairment testing as described in note 2.13.

### (iii) Donated intangible assets

Raspberry Pi Foundation has gifted the brand of Raspberry Pi to the Existing Group. The value of donated intangible assets provided to the Existing Group are recognised at cost. The brand of Raspberry Pi has been recognised at nil value in the Consolidated Statement of Financial Position.

## 2.13 Impairment excluding inventories and deferred tax assets

### Financial assets (including trade and other receivables)

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method, less any loss allowance.

The Existing Group has adopted the simplified model of recognising lifetime expected credit losses, trade receivables, and contract assets that are measured at amortised cost.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

### Non-financial assets

The carrying amounts of the entity's non-financial assets including intangible assets under construction, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. Internally Developed Intangible Assets under development are tested each year for impairment, irrespective of whether there are any such indicators.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating units exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 2.14 Inventories

Inventories, which comprise raw materials, components and finished goods for resale, are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving inventories. Cost comprises all costs of purchase and cost of conversion. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

## 2.15 Leases

The Existing Group assesses at contract inception whether a contract is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Existing Group as lessee

The Existing Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. As part of the measurement approach, the discount rate applied is assessed based on the underlying asset that the lease relates to and the incremental borrowing rate of the geographical region in which the lease is situated. The Existing Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

#### (i) *Right-of-use asset*

The Existing Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, the estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold office buildings – over the lease term.
- Retail shop – 2 years.
- Warehouse buildings – over the lease term.

If ownership of the leased asset transfers to the Existing Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment review.

#### (ii) *Lease liabilities*

At the commencement of the lease, the Existing Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Existing Group uses a specific asset risk adjusted incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the interest charge and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes for future payments resulting from a change in an index or rate used to determine such lease payments) or a change to the assessment of an option to purchase the underlying asset. Interest charges paid on lease liabilities are presented in the cash flow statement as a financing cash flow item.

## Notes to the Historical Financial Information

### (iii) *COVID-19-Related Rent Concessions Amendment*

The Existing Group has taken advantage of the practical expedient available under the amendment to IFRS 16. The amendment extends by one year the application period of the practical expedient in IFRS 16 to help lessees accounting for COVID-19 related rent concessions. As a result, Existing Group has elected to account for rent concessions in respect of the retail unit as variable lease payments in the period in which the pandemic, which gave rise to the reduced payments occurred.

### (iv) *Short-term leases and leases of low-value assets*

The Existing Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.

## 2.16 Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the date of the Consolidated Statement of Financial Position and any adjustment to tax payable in respect of previous periods. Any uncertain tax treatments are reviewed, documented and communicated to the Board of Directors as appropriate. The Existing Group's finance function monitors any uncertain items on a regular basis, working closely with the local tax advisor to understand any potential changes to the associated risk. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax liabilities are presented on the face of the Consolidated Statement of Financial Position within non-current liabilities. Deferred tax assets are presented on the face of the Consolidated Statement of Financial Position within non-current assets.

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used 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 reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The Research and Development Expenditure Credit ("RDEC") is recognised in the Consolidated Statement of Comprehensive Income within Research and Development expenditure in the period in

## Notes to the Historical Financial Information

which the Existing Group has recognised the research and development expense or in the period in which the amortisation of the relevant capitalised development costs which the credit relates is charged. The RDEC receivable for the year is netted against any payments of corporation tax due relating to the year. The deferred income represents the portion of the RDEC in respect of unamortised capitalised development costs and is recorded in Other Long Term Liabilities.

There are no significant uncertain tax positions requiring disclosure.

### 2.17 Dividends

Dividends paid are recognised in the Consolidated Statement of Changes in Equity once approved at the general meeting.

### 2.18 Pensions

The pension costs charged in the financial information represent the contributions payable by the Existing Group during the period to the defined contribution pension scheme. The assets of the scheme are held separately from those of the Existing Group in an independently administered fund. The amounts charged to the Consolidated Statement of Comprehensive Income represent the contributions payable to the scheme in respect of the accounting period and represent the full extent of the Existing Group's liability.

### 2.19 Foreign currencies

#### Presentation and Functional currency:

The Existing Group's presentational and functional currency is the United States Dollar. The currency that mainly influences sales prices for products and services as well as materials and other costs of providing goods and services is the U.S. dollar. Therefore, the parent and subsidiaries' functional currency is the U.S. dollar. The Existing Group has elected that its presentational currency matches its functional currency.

#### Approach to foreign currency transactions:

Foreign currency transactions are translated into the functional currencies for the parent and its subsidiary using daily exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at month end exchange rates, are recognised in the Consolidated Statement of Comprehensive Income.

### 2.20 Share-based payments

The Existing Group operates an equity settled share-based payment scheme. The Existing Group issues B shares as awards to its staff under share based compensation plans. For equity-settled awards, the fair value of the amounts payable to staff is recognised as an expense with a corresponding increase in equity over the vesting period after adjusting for the estimated number of shares that are expected to vest.

The fair value is measured at the grant date using an appropriate valuation model (Black-Scholes), taking into account the terms and conditions upon which the instruments were granted. The fair value of options granted is recognised as an employee benefit expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- (i) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

## Notes to the Historical Financial Information

- (ii) including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is calculated. The movement in cumulative expense is recognised in the Consolidated Statement of Comprehensive Income with a corresponding entry within equity.

The share-based payment scheme has been in place since October 2020. Under the terms of the plan, the B ordinary shares ("growth shares") will share in the proceeds payable in respect of an Exit of the Existing Group above a minimum hurdle. An Exit is broadly defined in the Articles of Association of RPL as the sale of the Existing Group or its listing upon a stock exchange.

The B ordinary shares are legally held by an employee benefit trust with the beneficial ownership held by the employees.

### 2.21 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

### 2.22 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity holders by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss for the period attributable to equity holders by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on conversion of all of the dilutive potential shares into shares, to the extent that the inclusion of such shares is not anti-dilutive.

### 2.23 Provisions

A provision is recognised in the statement of financial position when the Existing Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

### 2.24 Critical accounting estimates and significant management judgements

The preparation of the Historical Financial Information requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the reporting period, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

## Notes to the Historical Financial Information

In the process of applying the Existing Group's accounting policies, the directors have made the following judgements and estimates which have the most significant impact on the amounts recognised in the financial information:

### Key sources of estimation uncertainty

The judgement and estimates which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are as follows:

#### *Critical judgement and significant estimate in the capitalisation of development costs*

Management has determined that development costs related to specific new products have future economic benefits and are economically recoverable. The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement as to whether those costs represent part of an existing performance obligation or a separate intangible asset. There is also a significant judgement in the estimation of the expected useful life of the asset.

Development costs attributable to the new products for sale are capitalised. Development costs not directly attributable to new products for sale are expensed as incurred as they are most often enhancements and are deemed part of the existing performance obligation to already contracted customers.

The table below presents the amount of development costs capitalised and expensed during the periods.

	31 December		
	2021	2022	2023
		(\$'000)	
Capitalised expenses .....	4,584	7,017	14,410
Capitalised intellectual property amortisation.....	—	1,038	1,893
<b>Capitalised development costs.....</b>	<b>4,584</b>	<b>8,055</b>	<b>16,303</b>
Research and development costs.....	8,096	7,087	7,680
Amortisation and depreciation .....	2,113	2,990	3,391
RDEC taxation credit .....	—	(490)	(500)
Share Payments .....	915	(336)	11
Expensed Research and Development costs.....	11,124	9,251	10,582
<b>Total Research and Development Expenditure.</b>	<b>15,708</b>	<b>17,306</b>	<b>26,885</b>

#### *Estimated useful life of capitalised development costs*

Intangible assets in respect of product development form a significant part of the assets of RPL and management therefore considers it appropriate to draw the attention of the reader of the Historical Financial Information to the useful economic life of its internally developed products. The capitalised development is amortised on a straight-line basis over a three- to six-year period, which management deems to be reasonable, given that it operates in a rapidly evolving industry and is consistent with both

## Notes to the Historical Financial Information

the release cycle and estimated useful life of its main single board computers. The amortisation charged in each year has been the following:

	31 December		
	2021	2022	2023
		(\$'000)	
Amortisation of development costs capitalised ....	1,980	2,395	2,639

### ***Significant estimate: key assumptions used to determine the recoverable amount of the CGU containing intangible assets under development in respect of semiconductors***

As set out in note 14, the Existing Group tests whether indefinite lived intangible assets have suffered any impairment on an annual basis by considering the recoverable amount of the cash generating units (CGUs) for the relevant intangible assets. Management have judged that the appropriate CGUs for consideration were those in respect of the Raspberry Pi 5, semiconductor products, cameras and other individual accessories. For the reporting periods covered by the Historical Financial Information, the recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. The calculations use cashflow projections based on financial budgets and projections approved by management over the estimated lives of the assets, typically 3 to 6 years.

One impairment was made in 2023 of an accessory for \$107,000 (2022: \$nil; 2021: \$nil). The net book value at 31 December 2023 of the CGUs assessed by management was \$36 million with a value-in-use of \$121 million. A growth rate 10 per cent. lower than what is assumed in financial budgets would lead to a value-in-use of \$105 million, 13 per cent. lower than existing estimates.

The discount rate used in this assessment is 14 per cent. as detailed in note 14. With existing financial budget projections, but a discount rate of 16 per cent., the updated value-in-use of the CGUs is \$106 million, 12 per cent. lower than existing estimates.

### ***Significant estimate: net realisable value of inventory***

The Existing Group accounts for inventory at the lower of cost and net realisable value. In determining the net realisable value the Existing Group considers projections as to the sales of the items of inventory over future periods, typically two to three years. The projections are based on financial budgets prepared by management covering the next two to three years or remaining useful economic life of the related product, whichever is longer.

The total provision for 2023 is \$8.9 million. Should estimated future demand decrease by 10 per cent., the impact on the provision would be +\$0.54 million.

### ***Significant estimate and judgement : valuation of intellectual property received as part of share issue***

As part of the issue of shares to strategic investors in the financial year RPL received, in addition to cash consideration, enhancements to intellectual property already acquired. Management considers that the substance of this non cash consideration is the incremental value to the business of this enhanced IP over the IP it had already acquired. RPL has estimated the value of those enhancements by considering the additional revenues arising from increases in the future economic life of its products derived from those enhancements based on 10-year projections prepared by management as part of a strategic review.



## Notes to the Historical Financial Information

The incremental value over the cost of the existing licensed intellectual property was estimated at \$5.3 million. A number of scenarios were considered based on the key sensitivity which is believed to be the difference in the rate at which sales of the future products decline once the next generation of a product is released, which is analogous to the change in the economic life of the related products. We considered a range of such decay rates and selected a 10 per cent. decay rate to arrive at the incremental value of \$5.3 million. We also considered decay rates based on historical data, being the rate at which sales of Pi 3 and Pi 4 had been seen to decline when a new product was released. Decay rates of 15 per cent. and 20 per cent. were considered as sensitives. Were a decay rate of 20 per cent. to be used, the incremental value would be \$12.2 million. Adopting a higher decay rate drives a higher differential in sales volume, resulting in a higher incremental value.

### ***Significant judgement: determination of nature of promise made to licensee under licence agreement and therefore the basis under which royalties are recognised***

Royalties from RPL's licensee are recognised when the performance obligations set out in the license agreement are met. The promise made by RPL under the agreement to the licensee is the right to use RPL's designs which enable the licensee to manufacture the relevant products. The agreement contains a number of other activities which RPL promises to provide. Management have judged that these other activities do not significantly change the functionality of the products and therefore do not significantly affect the intellectual property provided; nor are they individually significant or material. Management therefore consider that the promise made in granting the licence is not that of providing a Right of Access to Raspberry Pi's intellectual property, but is instead that of providing a Right to Use licence of Raspberry Pi's intellectual property; therefore royalties are recognised in accordance with the agreement based on the number of units of product.

## 3 Revenue

The total revenue for the Existing Group has been derived from its principal activity: the development, marketing, manufacture and sale of cost-effective programmable computing devices. Revenue derived from the sale of products and royalties is recognised at a point in time. Revenue derived from the sale of magazine subscriptions is recognised over the length of the subscription period which varies from 3 to 12 months.

The Existing Group has disaggregated revenue into various categories in the following table which is intended to:

- (i) depict how the nature, amount, timing and uncertainty of revenue and cashflows are affected by economic factors; and
- (ii) enable users to understand the relationship with revenue segment information provided in Note 4.

### *Analysis of revenue*

	Year ended 31 December		
	2021	2022	2023
		\$'000	
<b>Revenue by currency of invoicing</b>			
USD.....	119,600	160,435	234,668
GBP.....	8,677	11,187	12,612
EUR.....	12,310	16,237	18,517

## Notes to the Historical Financial Information

	Year ended 31 December		
	2021	2022	2023
		\$'000	
	<b>140,587</b>	<b>187,859</b>	<b>265,797</b>
<b>Revenue by country of destination</b>			
United Kingdom.....	75,173	64,546	104,750
United States of America .....	12,337	30,447	45,278
Europe .....	22,186	49,492	60,317
Rest of World .....	30,891	43,374	55,452
	<b>140,587</b>	<b>187,859</b>	<b>265,797</b>
<b>Revenue by category</b>			
Sale of products (direct distribution channel sales).....	83,523	150,065	212,279
Royalty (licensee channel sales) .....	26,781	9,573	8,787
Sale of components .....	28,063	26,591	43,484
Other .....	2,220	1,630	1,247
Total .....	<b>140,587</b>	<b>187,859</b>	<b>265,797</b>

Revenue derived from component sales relates to components sold to the manufacturer for use in single board computers for the Existing Group's licensee partners. Invoices raised in respect of components sold to the manufacturer are typically settled within 30 days of the date of invoice.

Revenue derived from component sales also includes components sold to the Existing Group's licensee partner as part of a commercial agreement.

Contract liabilities are included within 'Trade and other payables' on the face of the Consolidated Statement of Financial Position. Contract liabilities arising from the publishing business relates to amounts paid in advance for magazine subscriptions which will be fulfilled in future months as well as amounts paid in advance for advertisements to be placed in future issues of magazines. Contract liabilities in respect of product sales arises where new customers are required to pay on a proforma basis and goods are yet to be dispatched.

### Revenue recognised in relation to deferred income

	Year ended 31 December		
	2021	2022	2023
		\$'000	
Revenue recognised that was included in Contract liabilities at the beginning of the period.....	491	535	1,356

## Notes to the Historical Financial Information

### *Remaining performance obligations*

The Existing Group's contracts with remaining performance obligations at each period end relate to the provision of magazine subscriptions. As at 31 December 2023, contract liabilities arising in respect of magazine publications amounted to \$240,881 (2022: \$206,289; 2021: \$277,395). The performance obligations in these contracts are satisfied within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies.

## 4 Segmental information

It is the view of the Directors that the Existing Group has a single operating segment being the development and sale of cost-effective programmable computing devices. Details of the Existing Group's revenue, results and assets and liabilities for the reporting segment are shown within the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position.

The Existing Group trades in one geographical segment, being the UK.

In the period covered by the Historical Financial Information, the Existing Group was domiciled in the UK and revenue was derived from external customers as described in Note 3.

### **Principal Customers**

During 2023, \$45,453,000 or 17 per cent. (2022: \$13,744,000 or 7 per cent.; 2021: \$21,444,072 or 15 per cent.) of the Existing Group's revenues were derived from one major electronic component distributor Sales of components for use in the Existing Group's products and finished product sales to the Existing Group's technology contract manufacturer during 2023 were \$41,887,051 or 16 per cent. of total revenues (2022: \$26,198,000 or 14 per cent.; 2021: \$29,504,000 or 21 per cent.).

## 5 Other operating income

	Year ended 31 December		
	2021	2022	2023
		\$'000	
CJRS Furlough grant.....	37	—	—

## 6 Material profit or loss items

The Existing Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Existing Group.

	Year ended 31 December		
	2021	2022	2023
		(\$'000)	
Inventory charged to cost of sales .....	91,840	138,004	184,768
Other cost of sales expenses.....	6,830	7,575	15,057

## Notes to the Historical Financial Information

	Year ended 31 December		
	2021	2022	2023
		(\$'000)	
Depreciation on property, plant and equipment .....	1,404	1,977	2,283
Depreciation on right of use assets.....	292	292	551
Loss on asset disposals.....	—	—	237
Impairment of right of use assets .....	—	—	286
Amortisation of intangibles.....	2,113	2,879	3,017
Other exceptional costs* .....	1,929	2,113	21
Employment costs .....	10,273	9,247	11,896
Product development.....	3,865	2,861	2,540
Other staff related costs.....	899	1,031	1,513
Professional fees .....	628	1,023	1,387
ERP implementation costs .....	—	164	1,195
Property costs.....	220	176	898
Insurance .....	353	435	676
Foreign exchange losses/(gains).....	272	(833)	191
Marketing and advertising.....	176	448	481
Travel and entertaining.....	141	517	664

\* Other exceptional costs and fees for other services as reporting accountant on financial or other information relate to costs incurred in respect of assurance and advisory costs for preparing RPL for further external investment.

## 7 Finance costs (net)

### *Finance income*

	Year ended 31 December		
	2021	2022	2023
		\$'000	
Interest receivable .....	—	49	1,443

## Notes to the Historical Financial Information

### Finance costs

	Year ended 31 December		
	2021	2022	2023
		\$'000	
Interest on lease liabilities .....	(81)	(63)	(153)
Interest on loans and borrowings .....	(234)	(157)	(331)
Foreign exchange gain/(loss) on lease liabilities.....	23	191	(295)
Finance cost .....	(292)	(29)	(779)
<b>Net finance (costs) income .....</b>	<b>(292)</b>	<b>20</b>	<b>664</b>

An arrangement fee of \$67,700 in respect of the £7 million (\$9.464 million) Revolving Credit Facility was prepaid in October 2020 and was amortised over three years. This facility ceased at the end of March 2023 and was replaced by a \$25 million Revolving Credit Facility for which an arrangement fee of \$242,000 was prepaid in April 2023 and is being amortised over three years, the term of the credit facility.

On 24 April 2024, RPL increased its Revolving Credit Facility to \$40 million and extended its term by a further year to 24 April 2027.

## 8 Employment costs

	Year ended 31 December		
	2021	2022	2023
<b>Average number of employees in the period</b>			
Engineering .....	39	44	50
Sales and product management.....	14	16	21
Marketing and communications .....	8	10	11
Publishing .....	10	10	5
General and administrative .....	10	12	12
Retail.....	4	4	4
	<b>85</b>	<b>96</b>	<b>103</b>

	Year ended 31 December		
	2021	2022	2023
		\$'000	
Wages and salaries .....	10,591	11,542	14,901

## Notes to the Historical Financial Information

	Year ended 31 December		
	2021	2022	2023
		\$'000	
Social security costs .....	1,212	1,345	1,623
Pension costs .....	662	725	898
Share based payments .....	1,204	(411)	27
Staff costs capitalised .....	(3,396)	(3,954)	(5,553)
<b>Total.....</b>	<b>10,273</b>	<b>9,247</b>	<b>11,896</b>

## 9 Income tax

	Year ended 31 December		
	2021	2022	2023
		\$'000	
<i>Current tax:</i>			
UK corporation tax.....	390	1,952	4,459
Adjustments in respect of previous periods .....	—	(390)	(406)
Total current tax .....	390	1,562	4,053
<i>Deferred tax:</i>			
Current year charge .....	1,741	1,157	2,271
Adjustments in respect of previous periods .....	—	(63)	157
Effect of changes in tax rates .....	1,491	365	143
Total deferred tax .....	3,232	1,459	2,571
<b>Taxation charge for the year .....</b>	<b>3,622</b>	<b>3,021</b>	<b>6,624</b>

The charge for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income statement as follows:

	Year ended 31 December		
	2021	2022	2023
		(\$'000)	
Profit before taxation .....	18,473	20,088	38,196
Corporation tax at an effective rate of 23.5% (19.0% in 2022 and 2021).....	3,510	3,817	8,976
<b>Effect of:</b>			

## Notes to the Historical Financial Information

	Year ended 31 December		
	2021	2022	2023
		(\$'000)	
Adjustments in respect of prior years	—	(453)	(249)
Expenses not deductible for tax purposes .....	1,941	462	23
Income not taxable .....	—	(200)	(2)
Deduction for research and development .....	(3,074)	—	—
Tax rate changes .....	1,492	365	143
Effect of group relief/other reliefs .....	(247)	(970)	(2,267)
<b>Taxation charge for the year .....</b>	<b>3,622</b>	<b>3,021</b>	<b>6,624</b>

In 2021, 2022 and 2023 the expenses not deductible for tax purposes are made up of other exceptional costs, share based payment charges, and intangible asset amortisation.

	Year ended 31 December		
	2021	2022	2023
		(\$'000)	
<b>Current Liabilities</b>			
Provision at start of period .....	—	390	762
Corporation tax .....	390	1,952	4,459
Adjustment in respect of prior years .....	—	(390)	(406)
Research and development tax credit .....	—	(1,190)	(2,277)
Tax paid in the year .....	—	—	(4,739)
Provision/(asset) at the end of the period .....	390	762	(2,201)

### Deferred tax disclosure:

Provision at start of period .....	2,982	6,214	7,673
Adjustment in respect of prior periods .....	—	(63)	157
Deferred tax charge for the period .....	3,232	1,522	2,414
Provision at the end of the period .....	6,214	7,673	10,244



## Notes to the Historical Financial Information

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Tangible and intangible asset temporary differences .....	6,383	7,772	11,347
Lease liability .....	—	(93)	(77)
Temporary differences – trading .....	(61)	(6)	(159)
Contract liabilities .....	—	—	(867)
Other .....	(108)	—	—
<b>Total</b> .....	<b>6,214</b>	<b>7,673</b>	<b>10,244</b>

The effective rate of UK corporation tax for the year ended 31 December 2023 was 23.5 per cent. (2022: 19 per cent., 2021: 19 per cent.). In the March 2023 UK government budget, it was confirmed that the UK corporation tax rate would increase to 25 per cent. from 1 April 2023. As these changes were substantively enacted before the balance sheet date of 31 December 2022, they were factored into the deferred tax calculations prepared in respect of the year ended 31 December 2022.

## 10 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Existing Group by the weighted average number of shares in issue during the period. The B ordinary shares will be converted into ordinary shares upon an Exit event, which is defined in the Long Term Incentive Plan rules as the sale, listing or liquidation of the Company, as determined in the Articles of Association of RPL.

Diluted earnings per share is calculated by adjusting the weighted average number of shares in all classes to assume exercise of potentially dilutive B shares using the treasury method.

On 13 September 2021, RPL subdivided its single £1 ordinary share capital into 100,000 £0.00001 ordinary shares. The weighted average number of shares has been increased by the number of additional shares issued in the year of the share split transaction.

	Year ended 31 December		
	2021	2022	2023
		\$'000	
<b>Earnings</b>			
Earnings for the purpose of basic and diluted earnings per share, profit attributable to owners of the Existing Group .....	14,851	17,067	31,572
<b>Number of shares</b>			
<b>Weighted average number of shares in issue during the period</b> .....	<b>103,102</b>	<b>109,931</b>	<b>111,230</b>

## Notes to the Historical Financial Information

	Year ended 31 December		
	2021	2022	2023
	\$'000		
<b>Adjustment for calculation of diluted earnings per share:</b>			
Performance shares .....	10,431	10,751	10,977
<b>Weighted average number of shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.....</b>	<b>113,533</b>	<b>120,682</b>	<b>122,207</b>
<b>Earnings per share (\$)</b>			
Basic.....	144	155	283
Diluted.....	131	141	258

## 11 Property, Plant and Equipment

	Retail store fit-out	Leasehold improve- ments	Plant and equipment	Office & computer equipment	Total
	\$000				
<b>Cost</b>					
<b>Balance at 1 January 2021 .....</b>	<b>100</b>	<b>327</b>	<b>3,184</b>	<b>907</b>	<b>4,518</b>
Additions .....	—	—	2,539	257	2,796
<b>Balance at 31 December 2021 .....</b>	<b>100</b>	<b>327</b>	<b>5,723</b>	<b>1,164</b>	<b>7,314</b>
Additions .....	—	—	1,806	333	2,139
<b>Balance at 31 December 2022 .....</b>	<b>100</b>	<b>327</b>	<b>7,529</b>	<b>1,497</b>	<b>9,453</b>
Additions .....	30	1,627	1,304	916	3,877
Disposal .....	—	(327)	—	(28)	(355)
<b>Balance at 31 December 2023 .....</b>	<b>130</b>	<b>1,627</b>	<b>8,833</b>	<b>2,385</b>	<b>12,975</b>
<b>Depreciation</b>					
<b>Balance at 1 January 2021 .....</b>	<b>65</b>	<b>43</b>	<b>1,596</b>	<b>647</b>	<b>2,351</b>
Charge for the year .....	35	22	1,161	186	1,404
<b>Balance at 31 December 2021 .....</b>	<b>100</b>	<b>65</b>	<b>2,757</b>	<b>833</b>	<b>3,755</b>
Charge for the year .....	—	22	1,758	197	1,977
<b>Balance at 31 December 2022 .....</b>	<b>100</b>	<b>87</b>	<b>4,515</b>	<b>1,030</b>	<b>5,732</b>
Charge for the year .....	7	72	1,888	316	2,283
Disposals .....	—	(107)	—	(11)	(118)
<b>Balance at 31 December 2023 .....</b>	<b>107</b>	<b>52</b>	<b>6,403</b>	<b>1,335</b>	<b>7,897</b>
<b>Net book amount</b>					
<b>At 31 December 2021 .....</b>	<b>—</b>	<b>262</b>	<b>2,966</b>	<b>331</b>	<b>3,559</b>

## Notes to the Historical Financial Information

	Retail store fit-out	Leasehold improve- ments	Plant and equipment	Office & computer equipment	Total
			\$000		
At 31 December 2022.....	—	240	3,014	467	3,721
At 31 December 2023.....	23	1,575	2,430	1,050	5,078

The following is the cost of property, plant and equipment that are fully depreciated and still in use at year end 2023: \$1,486,103 (2022: \$771,000; 2021: \$699,000).

## 12 Right Of Use Assets

Set out below are the carrying amounts of the right-of-use assets (ROU) and their movements over the period. The leases relate to:

- Offices at Maurice Wilkes Building, St John's Innovation Park, Cowley Road, Cambridge;
- Offices at 194 Cambridge Science Park, Milton Road, Cambridge;
- A warehouse in Suffolk; and
- A retail outlet at Grand Arcade Shopping Centre, Cambridge.

The Maurice Wilkes Building lease expires in September 2033. The 194 Cambridge Science Park lease expires in March 2029. The warehouse lease in Suffolk expires in July 2024 but is in the process of being renewed for a further three years. The Grand Arcade Shopping Centre lease expires in January 2025.

Refer to note 20 for details on the Lease Liabilities.

	\$'000
At 1 January 2021 .....	1,869
Additions.....	102
Depreciation.....	(292)
At 31 December 2021 .....	1,679
At 1 January 2022 .....	1,679
Depreciation.....	(292)
At 31 December 2022 .....	1,387
At 1 January 2023 .....	1,387
Additions.....	6,113
Rent Increase.....	56
Impairments .....	(286)
Depreciation.....	(551)
At 31 December 2023 .....	6,719

## Notes to the Historical Financial Information

Indicators of impairment were identified for the shop lease at 31 December 2021 as a result of COVID-19. The carrying value of the lease at 31 December 2022 was immaterial as it has a renewal date in early January 2023. The carrying value of the lease at 31 December 2021 was \$52,000 which was deemed immaterial for assessment of impairment.

The offices at the Maurice Wilkes Building are currently not used by RPL. The relevant Right of Use asset has therefore been impaired to reflect the value of rechargeable rent lost while the building is vacant. As no agreement has been entered into in respect of the future use of the property, the building has not been reclassified as an investment property.

The Existing Group also leases a shop in Leeds on a short-term agreement ending 10 January 2024. RPL has taken advantage of the exemption as provided in IFRS 16 “Leases” not to recognise the lease as a Right of Use asset. The expense charged to the Consolidated Statement of Comprehensive Income for the year ended 31 December 2023 was \$11,000 (31 December 2022 \$nil, 31 December 2021 \$nil).

### 13 Other assets

Other assets refers to a long term prepayment of \$3,402,000 for machinery used by RPL’s contract manufacturer in the production of Raspberry Pi 5. These are being written off over a period of 5 years.

	<b>\$’000</b>
<b>At 1 January 2022</b> .....	—
Additions.....	3,597
Utilisation charge .....	(195)
<b>At 31 December 2023</b> .....	<b>3,402</b>

The maturity analysis of this asset is:

	<b>As at 31 December 2023</b>
	<b>\$’000</b>
Less than one year.....	704
Between one and five years.....	2,698
	<b>3,402</b>

## 14 Intangible assets

Amortisation of intangible assets is included in Research and Development expenses.

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## Notes to the Historical Financial Information

next financial year is recorded in Long Term Liabilities. The full value of such licences rather than their discounted cashflow value has been capitalised due to the difference between the two values being immaterial.

Material items within Intellectual Property are:

- Outsourced costs incurred in the development of components including application processors for use in single board computers with a net book value of \$4.8 million (2022: \$5 million; 2021: \$5 million). The first product was launched in October 2023 and this investment is being amortised over four years until October 2027.
- Licences with a net book value of \$9.4 million (2022: \$4.5 million 2021: \$Nil), in respect of the development of future semiconductors for use in the Company's products. This includes \$7.9 million comprising \$5.3 million of non-cash consideration and \$2.6 million of existing intellectual property exchanged for shares. The licence term is until February 2027. Remaining payments for the intellectual property are reflected within Long Term Liabilities and Other Creditors.
- Licence agreements entered into in 2023 with two companies for \$3.5 million and \$1.8 million, for licences for use in the development of further microcontroller semiconductors.

Internally Developed Intangible Assets and Internally Developed Intangible Assets Under Development comprise capitalised costs incurred in the internal development of future Raspberry Pi products.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation begins when development is complete and the asset is available for use. New versions of Raspberry Pi computers are typically released every four years and therefore the development costs are amortised over four years in line with the economic life of the relevant product. Internally Developed Intangible Assets relating to components used in multiple Raspberry Pi products are amortised over a period of six years.

Included within Internally Developed Intangible Assets and Internally Developed Intangible Assets Under Development there are the following individual material items:

- Net book value of \$11.6 million (2022: \$12.0 million; 2021: \$11.1 million) in respect of costs incurred in the development of an Input/Output chiplet complementary to the application processors of future single board computers. The first products to use this chiplet launched in October 2023 and the costs of this development have now been transferred to Internally Developed Intangible assets and are being amortised over six years until October 2029;
- Net book value of \$2.3 million (2022: \$3.4 million, 2021: \$4.2 million) in respect of the costs incurred in the development of the RP2040 microcontroller chip, launched in January 2021. The costs are being amortised over six years. The remaining amortisation period at 31 December 2023 is three years and one month (31 December 2022: four years and one month; 31 December 2021 – five years and one month);
- Net book value of \$3.1 million (2022: \$1.4 million; 2021: \$0.9 million) in respect of the development of the latest generation of single board computers. This product launched in October 2023 and this investment is being amortised over four years until October 2027;
- Net book value of \$19.3 million (2022: \$5.7 million; 2021: \$0.9 million) in respect of the design of the next generation of semiconductors for use in future products.

## Notes to the Historical Financial Information

At 31 December 2023, following an impairment review, Management concluded that one accessory had suffered an impairment loss of \$107,000 (31 December 2022: \$nil; 31 December 2021: \$nil). Due to the immateriality of this amount, it has been included within amortisation.

### Impairment assessment for other non-current assets

Included within internally generated intangible assets under development are amounts of \$21.1 million (2022: \$20.1 million, 2021: \$12.0 million) representing the costs incurred in the development of products which have yet to be amortised. These assets are considered at the balance sheet date to have an indefinite life and accordingly must be tested for impairment.

The impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows (a cash generating unit – “CGU”). The CGUs considered were in respect of the Raspberry Pi 5, semiconductor products, cameras, and other individual accessories. The projected cash flows arising from the CGU are forecast for a period of three to six years being the assets’ estimated useful economic life. Management have based their revenue estimates on the revenues of similar products with a life of three to six years. A budgeted gross margin of 10 per cent. for Single Board Computers (“SBCs”), 30 per cent. for accessories and 20 per cent. for microcontroller products has been used. The budgeted gross margin is based on past performance for similar products and management’s expectations for the future. In the case of semiconductors developed for use in future products, management have based their forecasts on the market prices of equivalent products and projected manufacturing costs based on the past performance of similar products and management’s expectations for the future.

A discount rate of 14.0 per cent. (2022: 13 per cent.; 2021: 13 per cent.) has been applied in determining the present value of the cash flows anticipated. The discount rate is a pre-tax rate which reflects any specific risks relating to the relevant products. An asset-specific rate is not available directly from the market, and therefore the discount rate has been estimated to reflect, as far as possible, a market assessment of;

The time value of money to the end of the asset’s useful life.

- The risks that the future cash flows will differ in amount or timing from estimates.
- The price for bearing the uncertainty inherent in the asset.
- Other factors that market participants would reflect in the rate, such as illiquidity.

Management have taken into account the following factors in determining this rate:

- (i) The weighted-average cost of capital for the Existing Group, determined using the capital asset pricing model.
- (ii) The Existing Group’s incremental borrowing rate.
- (iii) Other market borrowing rates

Management do not consider that any reasonably possible change in the discount rate or cashflow estimates would result in an impairment.

No impairment was identified in 2023 (2022 and 2021: nil) in respect of these assets.

In September 2021 the trademarks in respect of Raspberry Pi Ltd were transferred from Raspberry Pi Foundation to RPL for £100. RPL has used the trademarks since its inception in 2012.



## Notes to the Historical Financial Information

The brand had no value within Raspberry Pi Foundation as it was internally generated by its wholly owned subsidiary at that time, RPL, prior to September 2021. Accordingly, it was transferred at nil gain or loss within the Existing Group in 2021.

### 15 Inventories

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Raw materials and components .....	25,682	36,459	67,309
Finished goods for resale .....	14,894	11,430	40,748
	<u>40,576</u>	<u>47,889</u>	<u>108,057</u>

Inventories recognised in cost of sales as an expense were as follows:

	Year ended 31 December		
	2021	2022	2023
		\$000	
Inventories recognised in cost of sales .....	<u>91,840</u>	<u>138,004</u>	<u>184,768</u>

An impairment loss of \$7.9 million (2022: \$1.1 million; 2021: \$74,000) was made in respect of slow-moving and obsolete inventories. The Existing Group accounts for inventory at the lower of cost and net realisable value. In determining the net realisable value, the Existing Group considers projections as to the sales of the items of inventory over future periods. The projections are based on financial budgets prepared by management covering the next two to three years or remaining useful economic life of the related product, whichever is longer.

### 16 Trade and other receivables

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Trade receivables .....	15,088	21,148	30,295
Expected credit loss allowance .....	—	—	(61)
Net trade receivables .....	<u>15,088</u>	<u>21,148</u>	<u>30,234</u>
Amounts owed by group undertakings .....	113	189	119
Other receivables .....	945	1,651	6,844
Prepayments .....	<u>4,588</u>	<u>3,039</u>	<u>2,563</u>
	<u>20,734</u>	<u>26,027</u>	<u>39,760</u>

## Notes to the Historical Financial Information

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Due within one year .....	20,734	26,027	39,760

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

Amounts owed by group undertakings represents balances between RPL and its ultimate parent company, the Raspberry Pi Foundation. The intercompany debt is unsecured and repayable upon demand and does not attract any interest charges.

Other receivables include VAT repayments due from HMRC of \$6,170,000 (2022: \$1,504,000; 2021: \$900,000).

RPL applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on RPL's historical credit loss experienced over the three-year period prior to each period end. Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors. Trade receivables include amounts which are past due at the reporting date but against which RPL has not recognised a provision for impairment as there has been no significant change in credit quality and the amounts are still considered recoverable.

The expected credit loss provision for trade receivables as determined under the requirements of IFRS 9 as at 31 December 2023 was \$61,000 (as at 31 December 2022 and as at 31 December 2021- \$nil). Any movement in expected credit loss provision is included in administrative expenses in the Consolidated Statement of Comprehensive Income.

## 17 Cash and cash equivalents

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Cash and cash equivalents.....	34,429	32,843	42,207

Cash and cash equivalents comprise cash at bank and cash in hand. Funds held on money market deposit are included within cash and cash equivalents as they are highly liquid and are accessible on demand within 24 hours. Their proximity to maturity means that they present insignificant risks of changes in value arising from changes in interest rates as well as certainty of returns at the point of investment.

**18 Trade and Other Payables**

	<b>As at 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
		(\$'000)	
Trade payables .....	15,177	18,004	62,354
Repurchase liabilities .....	2,658	1,739	8,202
Other taxation and social security .....	1,286	1,152	1,911
Other payables.....	80	1,815	3,382
Accruals .....	2,807	2,428	4,097
Contract liabilities .....	535	1,356	932
Deferred RDEC.....	—	—	312
<b>Trade and other payables .....</b>	<b>22,543</b>	<b>26,494</b>	<b>81,190</b>

Repurchase liabilities relate to components sold by RPL to contract manufacturers, with the purpose of producing finished products that RPL has committed to purchase.

The contract liabilities arising from the publishing business relate to amounts paid in advance for magazine subscriptions which will be fulfilled in future months as well as amounts paid in advance for advertisements to be placed in future issues of magazines. Contract liabilities in respect of product sales arise where new customers are required to pay on a proforma basis and goods are yet to be dispatched.

Other payables includes an amount of \$3 million (31 December 2022 and 31 December 2021: \$nil) falling due in 2024 in respect of the prepaid manufacturing cost of Raspberry Pi 5. Other payables also includes \$300,000 (2022: \$1,000,000; 2021: \$nil) falling due within 1 year for payment milestones in respect of an intellectual property licence as detailed in note 14.

**19 Provisions**

	<b>\$'000</b>
<b>At 1 January 2023 .....</b>	<b>—</b>
Additions.....	1,201
<b>At 31 December 2023 .....</b>	<b><u>1,201</u></b>

Provisions relate to anticipated dilapidation expenses for the Company's leased buildings. The value of the Right of Use Asset in respect of the Maurice Wilkes office, which has been vacant since December 2023, did not include a provision for dilapidation expenses and therefore at 31 December 2023, the Company has provided for associated anticipated costs of \$445,000 (31 December 2022 - \$nil; 31 December 2021 - \$nil). A further provision of \$756,000 (31 December 2022: \$nil; 31 December 2021: \$nil) has been made for dilapidation costs in respect of the new head office building on the Cambridge Science Park.

The maturity analysis of the Provisions is:

## Notes to the Historical Financial Information

	<b>As at 31 December 2023</b>
	\$'000
Less than one year.....	445
Between one and five years.....	—
Over five years.....	756
	<b>1,201</b>

## 20 Borrowings

A revolving credit facility of £7 million (\$9.5 million) and a £3 million (\$4.056 million) overdraft facility was available to the Existing Group from October 2020 to 29 March 2023. As at 31 December 2021 and 31 December 2022 neither of these facilities were being drawn upon.

On 30 March 2023, the facility was replaced by a three-year revolving credit facility of \$25 million, of which \$5 million is available as an overdraft facility, with Barclays Bank plc, to fund general corporate purposes. The facility is secured by debenture granted in favour of Barclays Bank plc and has covenants relating to leverage and interest coverage. The facility lasts for three years from March 2023.

At 31 December 2023, the Existing Group owed \$nil under this facility (31 December 2022 and 2021: \$nil).

Of the \$25 million revolving credit facility, in May 2023, \$5 million was designated as an overdraft facility, replacing the uncommitted overdraft facility of £3 million (\$4.1 million), which has been secured by a debenture granted by RPL in favour of Barclays Bank plc.

At 31 December 2023, RPL had \$nil overdraft borrowings (31 December 2022: \$nil; 31 December 2021: \$nil).

On 24 April 2024, RPL increased its revolving credit facility to \$40 million and extended its term by a further year to 24 April 2027.

## 21 Lease Liabilities

	<b>\$'000</b>
<b>At 1 January 2021</b> .....	<b>2,363</b>
Additions.....	102
Interest Expense .....	81
Lease Capital Payment.....	(325)
Lease Interest Payment .....	(81)
Foreign Exchange Translation impact.....	(24)
<b>At 31 December 2021</b> .....	<b>2,116</b>
<b>At 1 January 2022</b> .....	<b>2,116</b>
Interest Expense .....	63
Lease Capital Payment.....	(302)

## Notes to the Historical Financial Information

	<b>\$'000</b>
Lease Interest Payment .....	(63)
Foreign Exchange Translation impact.....	(192)
<b>At 31 December 2020</b> .....	<b>1,622</b>
<b>At 1 January 2023</b> .....	<b>1,622</b>
Additions.....	5,413
Interest Expense .....	153
Lease Capital Payment.....	(250)
Lease Interest Payment .....	(153)
Foreign Exchange Translation impact.....	295
<b>At 31 December 2023</b> .....	<b>7,080</b>

The total cash outflow relating to leases in 2023 was \$403,000 (2022: \$365,000, 2021: \$406,000).

Details of the Right of Use assets, including depreciation charge, additions and carrying value, are disclosed in Note 12.

The maturity analysis of lease liabilities is:

	<b>31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
		(\$'000)	
Less than one year.....	165	263	1,252
Between one and five years.....	1,362	1,138	4,470
Over five years .....	589	221	1,358
<b>Trade and other payables</b> .....	<b>2,116</b>	<b>1,622</b>	<b>7,080</b>

## 22 Other Long Term Liabilities

	<b>31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
		(\$'000)	
Amounts falling due after more than one year			
<b>Due within 2-5 years</b>			
Payment milestones in respect of intellectual property licence .....	—	3,000	4,260
Deferred income in respect of RDEC .....	—	700	2,165

## Notes to the Historical Financial Information

31 December		
2021	2022	2023
	(\$'000)	
—	3,700	6,425

Payment milestones in respect of Intellectual Property, as detailed in note 14 of \$4,260,000 (2022: \$3,000,000; 2021: \$nil) includes commitments payable in the next 2 to 5 years.

The deferred income in respect of Research and Development Expenditure Credit (RDEC) represents the portion of the unamortised capitalised development costs. The RDEC is recognised in the Consolidated Statement of Comprehensive Income within Research and Development expenses in the period in which RPL has incurred the expense it relates to or in the period in which the amortisation of the relevant capitalised development costs to which the credit relates is charged. The RDEC receivable for the year is netted against payments of corporation tax due relating to the year.

## 23 Share capital

As at 31 December		
2021	2022	2023
	(\$)	
<b>Allotted, called up and fully paid</b>		
113,240 Ordinary shares of £0.00001 (2022 and 2021: 109,931).....	1	1
17,917 B ordinary shares of £0.00001 each (2022: 15,920; 2021: 15,920).....	—	—
	1	1

Each class of ordinary share ranks *pari passu*, save that the B ordinary shares have no rights to vote or receive dividends. All B ordinary shares are held in trust under the Raspberry Pi (Trading) Long-Term Incentive Plan. The B ordinary shares will be converted into ordinary shares upon an Exit event, which is defined in the Long-Term Incentive Plan rules as the sale, listing or liquidation of RPL as determined in the Articles of Association of RPL.

On 13 September 2021, RPL subdivided its single £1 ordinary share capital into 100,000 £0.00001 ordinary shares. On 15 September 2021, RPL issued 4,414 ordinary shares at an issue price of \$4,531 per ordinary share. On 24 September 2021, RPL issued a further 5,517 ordinary shares at an issue price of \$4,531 per ordinary share.

On 28 March 2023, RPL issued 1,103 ordinary shares at an issue price of \$4,533 per ordinary share.

On 17 October 2023, RPL issued 2,206 ordinary shares at an issue price of \$4,533 per ordinary share.

## Notes to the Historical Financial Information

During 2021, an employee forfeited 63 B ordinary shares by leaving RPL. On 15 December 2021, RPL issued a further 2,843 B ordinary shares each at an issue price of £5.50 per share. On 10 July 2023, RPL issued 1,997 B ordinary shares each at an issue price of \$5.72 (£4.81). All B ordinary shares are held in trust under the Raspberry Pi (Trading) Long-Term Incentive Plan.

## 24 Reserves

### *Share capital account*

Share capital represents the nominal value of share capital subscribed for.

At 1 January 2021, RPL had 1 ordinary share of £1 in issue. On 13 September 2021, RPL subdivided its single £1 ordinary share capital into 100,000 £0.00001 ordinary shares. On 15 September 2021, RPL issued 4,414 ordinary shares at an issue price of \$4,531 per ordinary share. On 24 September 2021, RPL issued a further 5,517 ordinary shares at an issue price of \$4,531 per ordinary share. The table below shows the movement in ordinary share capital after the share split had taken place.

### *Movement in ordinary shares of £0.00001 each*

	Number of shares	Par value (\$)	Share premium \$'000	Total \$'000
As at 1 January 2022 .....	109,931	1	44,874	44,874
As at 31 December 2022 .....	<b>109,931</b>	<b>1</b>	<b>44,874</b>	<b>44,874</b>
Issue of shares.....	3,309	—	20,242	20,242
As at 31 December 2023 .....	<b>113,240</b>	<b>1</b>	<b>65,116</b>	<b>65,116</b>

During the year ended 31 December 2023, 3,309 ordinary shares were issued to new investors. Cash consideration for the issue of all new shares during the year was \$15.1 million. In addition, non-cash consideration in the form of enhancements to intellectual property used by the Existing Group was received. An independent valuation was performed to ascertain the value of this non-cash consideration and the value was estimated as being \$5.3 million. In reaching this estimate the present value of enhancements to future earnings that will arise from the benefit of this improved intellectual property were considered.

### *Movement in B ordinary shares of £0.00001 each*

	Number of shares	Par value (\$)	Share premium \$'000	Total \$'000
Balance 31 December 2021.....	15,920	—	38	38
Issue of shares.....	—	—	19	19
Balance 31 December 2022.....	15,920	—	57	57
Issue of shares.....	1,997	—	222	222
Balance 31 December 2023.....	17,917	—	279	279

2,843 B ordinary shares were awarded to employees at the end of 2021. Their award was reflected in the balance of 15,920 B ordinary shares shown at 31 December 2021, but the increase in share premium of \$19,000 in



## Notes to the Historical Financial Information

respect of these shares was reflected in the year ended 31 December 2022 when full approval by the Raspberry Pi (Trading) Employee Benefit Trust was granted.

Share Capital represents the nominal value of share capital subscribed for.

- *Share premium account*

The Share premium account records the amount above the nominal value received for shares issued, less transaction costs.

- *Retained Earnings*

This reserve represents the total of all current and prior retained earnings net of distributions to owners.

- *Share-based payment reserve*

This reserve is used to recognise the grant date fair value of growth shares issued to employees as legally held in the Raspberry Pi (Trading) Employee Benefit Trust.

In 2020, a Long-Term Incentive Plan ("LTIP") was approved by the board of directors. In October 2020, 13,077 B ordinary shares were issued under this plan to certain employees; in December 2021, a further 2,843 B ordinary shares were awarded to employees under this plan.

Under the terms of the plan, the B ordinary shares will share in the proceeds payable in respect of an Exit of the company above a minimum hurdle. An Exit is broadly defined in the Articles of Association of RPL as the sale of the company or its listing upon a stock exchange.

The B ordinary shares are held in trust by the Raspberry Pi (Trading) Employee Benefit Trust on behalf of employees.

A summary of the B ordinary shares is detailed below:

<b>At 1 January 2021</b> .....	13,077
Issued during 2021 .....	2,843
<b>At 31 December 2021</b> .....	<b>15,920</b>
Issued during 2022 .....	—
<b>At 31 December 2022</b> .....	<b>15,920</b>
Issued during 2023 .....	1,997
<b>At 31 December 2023</b> .....	<b>17,917</b>

In accordance with accounting standards, the company is required to recognise an expense for the services received by a company in exchange for equity-based payment. For B ordinary shares issued under the LTIP in 2020, the assumption at that time was that an Exit process would happen 2 years from the date of issue and the Black Scholes model was used to value the compensation expense with the following inputs:

- Interest rate: -0.05 per cent.
- Volatility: 49 per cent.
- Expected life of B ordinary shares: 2 years

## Notes to the Historical Financial Information

The value of each B ordinary share issued for IFRS 2 “Share-based Payment” purposes was deemed to be £108 per share.

The compensation expense in 2021 for those B ordinary shares issued in 2021 was calculated based on an expected Exit process happening four months after the date of issue. The Black Scholes model was used to value the compensation expense for the 2021 issue of B ordinary shares with the following inputs:

- Interest rate: -0.05 per cent.
- Volatility: 34 per cent.
- Expected life of B ordinary shares: 4 months

At that time, the value of each B ordinary share issued for IFRS 2 “Share-based Payment” purposes was deemed to be \$81 per share.

In 2021, management reassessed the timing of an Exit process. The compensation expense in 2021 for B ordinary shares issued during 2020 was revised to be calculated based on an expected Exit process happening 18 months after the date of issue. The charge for the year ended 31 December 2021 was \$1,204,000 which includes the additional charge for those B ordinary shares issued in 2020 following the reassessment by management of the date of the expected Exit process.

In 2022, management reconsidered the expected timing of an Exit process. The compensation credit in 2022 for B ordinary shares issued during 2020 was revised to be calculated based on an expected Exit process happening almost four years after the date of issue. The compensation credit in 2022 for those B ordinary shares issued in 2021 was calculated based on an expected Exit process happening 31 months after the date of issue. The resultant credit for the year ended 31 December 2022 was \$411,000 which is the result of the life of the B ordinary shares being extended.

For B ordinary shares issued under the LTIP in 2023, the assumption at that time was that an Exit process would happen one year and two months from the date of issue and the Black Scholes model was used to value the compensation expense with the following inputs:

- Interest rate: 4.07 per cent. for shares issued to UK employees
- Interest rate: 4.32 per cent. for shares issued to US employees
- Volatility: 39 per cent.
- Expected life of B ordinary shares: 1 year and 2 months

The value of each B ordinary share issued for IFRS 2 “Share-based Payment” purposes was deemed to be \$697 per share for UK employees and \$556 per share for US employees.

The charge for the year ended 31 December 2023 of \$27,000 is based upon an expected Exit process happening within the same timeframe as management assessed in 2022.

On 15 December 2023, 1,563 B ordinary shares were awarded to UK employees with a deemed unrestricted market value of \$22 per share. Approval for these shares is still being sought from the Trustees of the Employee Benefit Trust, so at the year end, these shares remain unissued.

## 25 Pension and other post-retirement benefit commitments

### Defined contribution

The Existing Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Existing Group in an independently administered fund. The pension cost charge represents contributions payable by the Existing Group to the fund and amounts to:

	<i>\$'000</i>
Year ended 31 December 2021 .....	662
Year ended 31 December 2022 .....	725
Year ended 31 December 2023 .....	898

At 31 December 2023, pension contributions totalling \$444,057 (2022 - \$nil; 2021 - \$220,000) were payable to the fund and are included in other taxation and social security.

## 26 Financial instruments and financial risk management

The Existing Group is exposed through its operations to the following financial risks:

- Credit risk;
- Liquidity risk;
- Interest rate risk;
- Foreign currency risk; and
- Capital management.

The principal financial instruments used by the Existing Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables;
- Cash and cash equivalents;
- Trade and other payables; and
- Loans and borrowings.

### Financial assets

Financial assets measured at amortised cost comprise cash and cash equivalents, trade receivables and intercompany receivables.

	<b>As at 31 December</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
		(\$ '000)	
Net-trade receivables.....	15,088	21,148	30,234

## Notes to the Historical Financial Information

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Amounts owed by group undertakings.....	113	189	119
Cash and cash equivalents.....	34,429	32,843	42,207
	49,630	54,180	72,560

### Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, accruals, other payables, intercompany payables and lease liabilities:

	As at 31 December		
	2021	2022	2023
		(\$'000)	
<b>Current</b>			
Trade payables .....	15,177	18,004	62,354
Accruals .....	2,807	2,428	4,097
Other payables.....	80	1,815	3,382
Repurchase liabilities .....	2,658	1,739	8,202
Lease Liabilities .....	165	263	1,252
	20,887	24,249	79,287
<b>Non-current</b>			
Lease Liabilities .....	1,951	1,359	5,828
Other long term liabilities .....	—	3,000	4,260
	1,951	4,359	10,088

The Existing Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. The Existing Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Existing Group is exposed are described below.

## Notes to the Historical Financial Information

### Credit Risk

The Existing Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Financial Assets measured at amortised cost .....	49,630	54,180	72,560

The Existing Group's exposure to credit risk arises from cash and cash equivalents, as well as outstanding receivables (note 16).

The Existing Group's cash and cash equivalents are all held on deposit with leading international banks and hence the Directors consider the credit risk associated with such balances to be low.

For internal credit risk management purposes, the Existing Group considers a financial asset to be not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

The Existing Group provides credit to customers in the normal course of business. In order to minimise credit risk, the Existing Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is monitored. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history. The amounts presented in the Consolidated Statement of Financial Position in relation to the Existing Group's trade receivables are presented net of loss allowances.

### Liquidity Risk

Liquidity risk arises from the Existing Group's management of working capital and the amount of funding required for growth. It is the risk that the Existing Group will encounter difficulty in meeting its financial obligations as they fall due. The Existing Group ensures that it has sufficient cash or working capital facilities to meet the cash requirements of the Existing Group in order to mitigate this risk. The Existing Group is financed through a combination of cash balances, the revolving credit facility and retained earnings.

The Existing Group manages its cash and borrowing requirements through preparation of annual cash flow forecasts reflecting known commitments and anticipated projects in order to maximise interest income and minimise interest expense, whilst ensuring that the Existing Group has sufficient liquid resources to meet the operating needs of the Existing Group. Borrowing facilities are arranged as necessary to finance requirements.

The following table shows the maturities of gross undiscounted cash flows of financial liabilities.

Contractual maturities of financial liabilities as at 31 December 2021 are as follows:

	Carrying amount	Contractual Cashflows	< 1 Year	1-5 Years	5 Years and over
			(\$'000)		
Trade and other payables .....	20,722	20,722	20,722	—	—
Loans and borrowings.....	—	—	—	—	—

## Notes to the Historical Financial Information

	Carrying amount	Contractual Cashflows	< 1 Year (\$'000)	1-5 Years	5 Years and over
Lease liability .....	2,116	2,215	365	979	871
<b>Total.....</b>	<b>22,838</b>	<b>22,937</b>	<b>21,087</b>	<b>979</b>	<b>871</b>

Contractual maturities of financial liabilities as at 31 December 2022 are as follows:

	Carrying amount	Contractual Cashflows	< 1 Year (\$'000)	1-5 Years	5 Years and over
Trade and other payables .....	23,986	23,986	23,986	—	—
Loans and borrowings.....	—	—	—	—	—
Lease liability .....	1,622	1,849	326	979	544
Other long term liabilities .....	3,000	3,000	—	3,000	—
<b>Total.....</b>	<b>28,608</b>	<b>28,835</b>	<b>24,312</b>	<b>3,979</b>	<b>544</b>

Contractual maturities of financial liabilities as at 31 December 2023 are as follows:

	Carrying amount	Contractual Cashflows	< 1 Year (\$'000)	1-5 Years	5 Years and over
Trade and other payables .....	78,036	78,036	78,036	—	—
Loans and borrowings.....	—	—	—	—	—
Lease liability .....	7,078	7,742	1,681	5,782	279
Other long term liabilities .....	4,260	4,260	—	4,260	—
<b>Total.....</b>	<b>89,374</b>	<b>90,038</b>	<b>79,717</b>	<b>10,042</b>	<b>279</b>

Notes:

- (1) Refer to note 20 for detail on the loans and borrowings.
- (2) Refer to note 21 for detail on the lease liabilities.
- (3) Refer to note 22 for details of other long-term liabilities.

### Interest rate risk

The Existing Group holds interest-bearing assets in the form of cash and cash equivalent deposits.

The Existing Group's only interest-bearing long-term financial liabilities are leases, which of their nature are at a fixed rate and therefore the Existing Group's interest rate risk exposure is minimal.

The Existing Group regularly reviews forecast debt, cash and cash equivalents and interest rates to monitor this risk and would consider hedging instruments if the perceived risk was to increase.

## Notes to the Historical Financial Information

### Foreign Currency Risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. Most of the Existing Group's transactions are conducted in U.S. dollars. Exposures to currency exchange rates arise from overseas sales and purchases, which are primarily denominated in U.S. dollars or euro. The Existing Group holds bank accounts in foreign currency to help mitigate the foreign exchange risk. The Existing Group monitors exchange rate movements closely and ensure adequate funds are maintained in appropriate currencies to meet known liabilities.

The Existing Group's exposure to foreign currency risk at the end of the respective reporting period was as follows:

	As at 31 December		
	2021	2022	2023
		(\$'000)	
Cash .....	791	442	673
Trade Receivables .....	1,433	2,169	7,516
Trade and Other Payables .....	(5,818)	(3,866)	(17,891)
GBP – Net assets .....	(3,594)	(1,255)	(9,702)
Cash .....	653	810	369
Trade Receivables .....	969	2,040	1,197
Trade and Other Payables .....	(213)	(131)	(113)
EUR – Net assets.....	1,409	2,719	1,453
Cash .....	1,444	1,252	1,041
Trade Receivables .....	2,402	4,209	8,713
Trade and Other Payables .....	(6,031)	(3,997)	(18,003)
<b>Total.....</b>	<b>(2,185)</b>	<b>1,464</b>	<b>(8,249)</b>

Liabilities include the monetary assets and liabilities of subsidiaries denominated in foreign currency.

The Existing Group is exposed to foreign currency risk on the relationship between the functional currencies of the parent and its subsidiary companies and the other currencies in which the Existing Group's material assets and liabilities are denominated. The table below summaries the effect on reserves had the functional currencies of the Existing Group weakened or strengthened against these other currencies, with all other variables held constant.

	31 December		
10% strengthening of functional currency	2021	2022	2023
		(\$'000)	
Cash .....	48	34	46



## Notes to the Historical Financial Information

10% strengthening of functional currency	31 December		
	2021	2022	2023
		(\$'000)	
Trade Receivables .....	87	165	515
Trade and Other Payables .....	(354)	(294)	(1,227)
<b>GBP</b> .....	<b>(219)</b>	<b>(95)</b>	<b>(666)</b>
Cash .....	56	78	34
Trade Receivables .....	83	197	109
Trade and Other Payables .....	(18)	(13)	(10)
<b>EUR</b> .....	<b>121</b>	<b>262</b>	<b>133</b>
Cash .....	104	112	80
Trade Receivables .....	170	362	624
Trade and Other Payables .....	(372)	(307)	(1,237)
<b>Total</b> .....	<b>(98)</b>	<b>167</b>	<b>(533)</b>

10% weakening of functional currency	31 December		
	2021	2022	2023
		(\$'000)	
Cash .....	(39)	(27)	(38)
Trade Receivables .....	(71)	(135)	(422)
Trade and Other Payables .....	289	240	1,004
<b>GBP</b> .....	<b>179</b>	<b>78</b>	<b>544</b>
Cash .....	(46)	(64)	(27)
Trade Receivables .....	(68)	(161)	(89)
Trade and Other Payables .....	15	10	8
<b>EUR</b> .....	<b>(99)</b>	<b>(215)</b>	<b>(108)</b>
Cash .....	(85)	(91)	(65)
Trade Receivables .....	(139)	(296)	(511)
Trade and Other Payables .....	304	250	1,012
<b>Total</b> .....	<b>80</b>	<b>(137)</b>	<b>436</b>

The impact of a change of 10 per cent. has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements. The sensitivities above would all affect the profit and loss of the Existing Group.

## Notes to the Historical Financial Information

### Capital Risk Management

The Existing Group is equity funded, comprising share capital and retained profits.

The Existing Group's current objectives when maintaining capital are to:

- Safeguard the Existing Group's ability as a going concern so that it can continue to pursue its growth plans;
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term; and
- Provide a reasonable expectation of future returns to shareholders.

The capital adequacy of the business is monitored on a monthly basis and as part of the business planning process. The liquidity of the business is monitored on a daily basis to ensure sufficient funding exists to meet the Existing Group's liabilities as they fall due. The Existing Group is highly cash generative and maintains sufficient cash and standby banking facilities to fund its foreseeable trading requirement.

### 27 Financial commitments

In July 2022, RPL entered into a commitment to purchase licences for intellectual property and related tools over the period to July 2025. The value of the outstanding commitment at 31 December 2023 was \$5.6 million (31 December 2022 - \$9.1 million; 31 December 2021 - \$nil).

To ensure the continuing supply of key components to meet forecast demand RPL has entered into long term supply agreements and placed orders with major suppliers and distributors. Under the agreements, RPL expects to purchase components with a value of \$466 million (31 December 2022 - \$360 million; 31 December 2021 - \$nil) over a period of four years for use in the manufacture of products for sale by itself and its licensee.

### 28 Changes in liabilities arising from financing activities

The changes in the Existing Group's liabilities arising from financing activities can be classified as follows:

Changes in Liabilities Arising from Financing Activities	Lease Liabilities	Loans and Borrowings
	(\$ '000)	
<b>At 1 January 2021</b> .....	2,363	—
Loans drawn down .....	—	15,190
Repayment of principal .....	(325)	(15,154)
Interest Payment .....	(81)	(234)
Interest Expense .....	81	234
Additions .....	102	—
Foreign exchange translation impact .....	(24)	(36)
<b>At 31 December 2021</b> .....	<b>2,116</b>	<b>—</b>
<b>At 1 January 2022</b> .....	2,116	—

## Notes to the Historical Financial Information

Changes in Liabilities Arising from Financing Activities	Lease Liabilities	Loans and Borrowings
	(\$ '000)	
Loans drawn down .....	—	—
Repayment of principal .....	(302)	—
Interest Payment .....	(63)	—
Interest Expense .....	63	—
Foreign exchange translation impact .....	(192)	—
<b>At 31 December 2022 .....</b>	<b>1,622</b>	<b>—</b>
<b>At 1 January 2023 .....</b>	<b>1,622</b>	<b>—</b>
Loans drawn down .....	—	—
Repayment of principal .....	(250)	—
Interest Payment .....	(153)	—
Interest Expense .....	153	—
Additions .....	5,432	—
Foreign exchange translation impact .....	295	—
<b>At 31 December 2023 .....</b>	<b>7,080</b>	<b>—</b>

## 29 Interests in subsidiaries

On 10 August 2021, Raspberry Pi (Trading) North America Inc, was incorporated in Delaware, United States of America, as a wholly owned subsidiary of RPL. The subsidiary does not carry out any trading activities; it acts merely as a vehicle for the employment of staff in the United States of America with specialist skills.

On 1 November 2023, Raspberry Pi Ireland Limited was incorporated in Ireland as a wholly owned subsidiary of RPL. The subsidiary did not trade during the year ended 31 December 2023.

## 30 Related party transactions

### Transactions with key management personnel

RPL considers the Executive Committee members as the key management personnel. The total remuneration for key management personnel for the year ended 31 December 2023 was \$3,059,000 (31 December 2022: \$2,479,000; 31 December 2021: \$3,168,000).

	Year ended 31 December		
	2021	2022	2023
		(\$ '000)	
Wages and salaries .....	2,337	2,274	2,873
Social security costs .....	321	233	313

## Notes to the Historical Financial Information

	Year ended 31 December		
	2021	2022	2023
	(\$'000)		
Pension costs.....	86	83	92
Share based payment costs.....	424	(111)	(219)
	<u>3,168</u>	<u>2,479</u>	<u>3,059</u>

The Existing Group reimbursed expenses incurred by Dr Eben Upton CBE, a director, as follows:

	\$
Year ended 31 December 2021 .....	<u>6,771</u>
Year ended 31 December 2022 .....	8,757
Year ended 31 December 2023 .....	34,245

The wife of Dr Eben Upton CBE is the Chief Marketing and Communications Officer of RPL. The Existing Group made salary and pension contributions to her, as follows:

	\$
Year ended 31 December 2021 .....	<u>98,403</u>
Year ended 31 December 2022 .....	124,213
Year ended 31 December 2023 .....	137,876

At 31 December 2023, 2022 and 2021, \$nil was owed to either of the related parties listed above.

During the years ended 31 December 2023, 2022 and 2021, Mr MJ Hellawell was a director of both the Existing Group and Softcat plc. On 1 August 2023, he resigned his directorship of Softcat plc

Purchases were made from Softcat plc by RPL as follows:

	\$
Year ended 31 December 2021 .....	<u>555,641</u>
Year ended 31 December 2022 .....	234,822
Year ended 31 December 2023 .....	7,328

The amount owed to Softcat plc at 31 December 2023 was \$nil (2022: \$nil; 2021: \$18,299).

Dr Gammon was a director of both RPL and Frontier Developments plc during the years ended 31 December 2021 and 2022. David Gammon resigned his directorship of Frontier Developments plc in December 2022. Sales were made to Frontier Developments Inc., a subsidiary of Frontier Developments plc, by RPL as follows:

## Notes to the Historical Financial Information

	\$
Year ended 31 December 2021 .....	13,670
Year ended 31 December 2022 .....	8,246

The amount owed to Frontier Development, Inc. at 31 December 2023 was \$nil (2022: \$nil; 2021: \$nil).

### Transactions with ultimate parent undertaking

The Existing Group made sales to Raspberry Pi Foundation, its ultimate parent undertaking, as follows:

	\$
Year ended 31 December 2021 .....	999,743
Year ended 31 December 2022 .....	643,459
Year ended 31 December 2023 .....	153,511

The amount owed by Raspberry Pi Foundation at 31 December 2023 was \$182,000 (2022: \$191,000; 2021: \$113,000).

The EBT holds company funds amounting to \$89 which have been consolidated in accordance with accounting standards.

In 2021, RPL transferred \$89 to the EBT in order to buy back shares from a Company leaver. As defined in the Articles of Association of RPL, the leaver was considered a bad leaver which meant that a compulsory transfer event crystallised. The leaver was deemed to have given a deemed transfer notice in respect of all interests held in the share capital of RPL and the Remuneration Committee decided that all the interests of the leaver should be offered to the EBT for purchase. The total aggregate transfer price for the interests was \$89.

In 2022, a Company leaver waived all rights and claims to any benefits under the Raspberry Pi (Trading) EBT which meant that a compulsory transfer event crystallised. The interests of the leaver will be offered to the Raspberry Pi (Trading) EBT for purchase. The total aggregate transfer price for the interests amounts to \$89.

### 31 Ultimate parent undertaking and controlling party

The ultimate parent company and controlling party is Raspberry Pi Foundation, a registered charity and company registered in England and Wales.

During 2021, the Existing Group underwent some restructuring prior to the inflow of external investment. The Principal Shareholder was inserted in between Raspberry Pi Foundation and RPL with the result that the Principal Shareholder is now the immediate parent undertaking of RPL.

### 32 Events after the reporting period

In February 2024, RPL issued an aggregate of 171 new shares to the non-executive directors, Martin Hellawell and Rachel Izzard and to Rockspring Nominees Limited, a company in which David Gammon, a non-executive director, has an interest. Total consideration paid for these shares amounted to \$0.8 million, based on a diluted post-money valuation, conducted in November 2023, of \$597 million.

## **Notes to the Historical Financial Information**

On 24 April 2024, RPL increased its revolving credit facility to \$40 million and extended its term by a further year to 24 April 2027.

On 23 May 2024, under s618 CA06 RPL undertook a share split of its ordinary and B ordinary shares such that each share was split into 50 shares. Subsequently, Raspberry Pi ListCo Limited acquired all the shares in RPL in exchange for the issuance of new shares to the shareholders of RPL.

## PART XIV UNAUDITED PRO FORMA FINANCIAL INFORMATION

### Section A: Report on Unaudited Pro Forma Financial Information



Grant Thornton

The Directors  
Raspberry Pi Holdings plc  
194 Cambridge Science Park  
Milton Road  
Cambridge  
CB4 0AB

11 June 2024

Dear Sir/Madam

#### **Raspberry Pi Holdings plc (the Company) and its Subsidiary Undertakings (together the Group)— Report on Unaudited Pro Forma Financial Information**

We report on the unaudited pro forma financial information set out in Section B of Part XIV (the “Unaudited Pro Forma Financial Information”) of the Company’s prospectus dated 11 June 2024 (the “Prospectus”).

#### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

#### **Responsibilities**

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Unaudited Pro Forma Financial Information in accordance with Annex 20 of the United Kingdom version of Regulation number 2019/980 of the European Commission, which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018 (the “PR Regulation”).

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 to the PR Regulation, as to the proper compilation of the Unaudited Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules of the Financial Conduct Authority (the “Prospectus Regulation Rules”) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex 1 of the PR Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information, nor do



we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of Preparation**

The Unaudited Pro Forma Financial Information has been prepared on the basis described in notes 1 to 4 to the Unaudited Pro Forma Financial Information, for illustrative purposes only, to provide information about how the adjustment for the Global Offer might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the historical financial information for the three years ended 31 December 2023 as presented in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: “*Historical Financial Information*”.

This report is required by Section 3 of Annex 20 of the PR Regulation and is given for the purpose of complying with that Section 3 and for no other purpose.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (“FRC”) in the United Kingdom. We are independent of the Group in accordance with relevant ethical requirements, which in the United Kingdom is the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully

GRANT THORNTON UK LLP

## Section B: Unaudited Pro Forma Financial Information

### *Introduction and basis of preparation*

The Unaudited Pro Forma Statement of Consolidated Net Assets has been prepared for illustrative purposes only, and by its nature addresses a hypothetical situation and, therefore, does not represent our actual financial position or results. The Unaudited Pro Forma Statement of Consolidated Net Assets has been prepared in accordance with Annex 20 of the United Kingdom version of Regulation number 2019/980 of the European Commission, which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018.

The Unaudited Pro Forma Statement of Consolidated Net Assets is based on the Historical Financial Information of Raspberry Pi Ltd and its subsidiaries (the “Existing Group”) and is stated on the basis of the accounting policies adopted in the Historical Financial Information and the matters set out in the notes below.

The Unaudited Pro Forma Statement of Consolidated Net Assets does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. Prospective investors should read the whole of this document and not rely solely on the summarised financial information contained in this section.

The Unaudited Pro Forma Statement of Consolidated Net Assets has been prepared in accordance with the basis set out in the notes below, in a manner consistent with the accounting policies of the Group applied in preparing the Historical Financial Information of Raspberry Pi Ltd and its subsidiary undertakings as set out in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: “*Historical Financial Information*”, and in accordance with the requirements of Sections 1 and 2 of Annex 20 of the Prospectus Regulation. It should be read in conjunction with the notes to the Unaudited Pro Forma Statement of Consolidated Net Assets set out below.

### *Unaudited pro forma statement of consolidated net assets*

The Unaudited Pro Forma Statement of Consolidated Net Assets has been prepared to illustrate the effect of the Global Offer on our consolidated net assets as if the net proceeds of the sale of all of the New Shares as part of the Global Offer had been received by the Company on 31 December 2023.

The Unaudited Pro Forma Statement of Consolidated Net Assets does not purport to represent what our financial position would have been if the Global Offer had completed on the date indicated.

	Consolidated net assets at 31 December 2023 <sup>(1)</sup>	Adjustment for the Global Offer <sup>(2)</sup>	Unaudited pro forma consolidated net assets <sup>(3)(4)</sup>
		(\$'000)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets .....	58,634	—	58,634
Property, plant and equipment.....	5,078	—	5,078
Right of use assets.....	6,719	—	6,719
Other assets .....	2,698	—	2,698
<b>Total non-current assets.....</b>	<b>73,129</b>	<b>—</b>	<b>73,129</b>
<b>Current assets</b>			
Inventories.....	108,057	—	108,057

	Consolidated net assets at 31 December 2023 <sup>(1)</sup>	Adjustment for the Global Offer <sup>(2)</sup>	Unaudited pro forma consolidated net assets <sup>(3)(4)</sup>
Trade and other receivables.....	39,760	—	39,760
Current tax assets .....	2,201	—	2,201
Cash and cash equivalents.....	42,207	30,064	72,271
<b>Total current assets .....</b>	<b>192,225</b>	<b>30,064</b>	<b>222,289</b>
<b>Total assets .....</b>	<b>265,354</b>	<b>30,064</b>	<b>295,418</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables.....	(81,190)	—	(81,190)
Provisions.....	(445)	—	(445)
Lease liabilities .....	(1,252)	—	(1,252)
Current tax liabilities.....	—	—	—
<b>Total current liabilities .....</b>	<b>(82,887)</b>	<b>—</b>	<b>(82,887)</b>
<b>Non-current liabilities</b>			
Lease liabilities .....	(5,828)	—	(5,828)
Deferred tax liabilities.....	(10,244)	—	(10,244)
Other long-term liabilities .....	(6,425)	—	(6,425)
Provisions .....	(756)	—	(756)
<b>Total non-current liabilities .....</b>	<b>(23,253)</b>	<b>—</b>	<b>(23,253)</b>
<b>Total liabilities .....</b>	<b>(106,140)</b>	<b>—</b>	<b>(106,140)</b>
<b>Net assets.....</b>	<b>159,214</b>	<b>30,064</b>	<b>189,278</b>

Notes:

- (1) The Existing Group's historical consolidated net assets as at 31 December 2023 have been extracted without adjustment from the Historical Financial Information set out in Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: "*Historical Financial Information*".
- (2) This adjustment reflects the net proceeds of the sale of New Shares as part of the Global Offer receivable by the Company of \$30,063,615 (excluding the payment of any discretionary commissions) and the exchange rate on the Reference Date of £1 to \$1.2723.
- (3) This column represents the sum of columns 1 and 2 inclusive to derive the Existing Group's unaudited pro forma consolidated net assets as at 31 December 2023.
- (4) No adjustment has been made to reflect the Existing Group's financial position since 31 December 2023.

## **PART XV TAXATION**

### **United Kingdom Taxation**

The following is a summary of certain UK tax considerations relating to an investment in the shares.

The comments set out below are based on current UK tax law as applied in England and Wales and HMRC published practice (which may not be binding on HMRC), in each case as at the Reference Date, and both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and apply only to shareholders of the Company who acquire the Shares as initial shareholders in the Global Offer, who are resident and, in the case of an individual, domiciled for tax purposes in the UK and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-UK residents), who hold shares in the Company as an investment and who are, or are treated as, the absolute beneficial owners thereof. The comments do not address the proposed future changes in relation to domicile announced by the Chancellor of the Exchequer in the Spring Budget delivered on 6 March 2024. The discussion does not address all possible tax consequences relating to an investment in the shares. Certain categories of shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with the Company or Group, those for whom the shares are employment-related securities, and those that own (or are deemed to own) 5 per cent. or more of the Shares and/or voting power of the Company (either alone or together with connected persons) may be subject to special rules and this summary does not apply to such shareholders.

Shareholders or prospective shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately. In particular, shareholders should be aware that the tax legislation of any jurisdiction where a shareholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Shares including in respect of any income received from the Shares.

#### ***Taxation of Dividends***

The Company will not be required to withhold amounts on account of UK tax at source when paying a dividend (whether the payment is made to a UK resident shareholder, or a non-UK resident shareholder).

#### ***Individual shareholders***

Dividends received by a UK resident individual shareholder from the Company will generally be subject to tax as dividend income.

The first £500 of the total amount of dividend income (including any dividends received from the Company) received by such a shareholder in a tax year will be taxed at a nil rate (and so no income tax will be payable in respect of such amounts) (the “Dividend Allowance”).

If a UK resident individual shareholder’s total dividend income for a tax year exceeds the Dividend Allowance (such excess being referred to as the “Taxable Excess”), then the Taxable Excess will be subject to tax depending on the tax rate band or bands it falls within. The relevant tax rate band is determined by reference to the shareholder’s total income charged to income tax (including the dividend income charged at a nil rate by virtue of the Dividend Allowance) less relevant reliefs and allowances (including the shareholder’s personal allowance). The Taxable Excess is, in effect, treated as the top slice of any resulting taxable income and:

- (a) To the extent that the Taxable Excess falls below the basic rate limit, the shareholder will be subject to tax on it at the dividend basic rate of 8.75 per cent.

- (b) To the extent that the Taxable Excess falls above the basic rate limit but below the higher rate limit, the shareholder will be subject to tax on it at the dividend upper rate of 33.75 per cent.
- (c) To the extent that the Taxable Excess falls above the higher rate limit, the shareholder will be subject to tax on it at the dividend additional rate of 39.35 per cent.

#### *Corporate shareholders*

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax (currently at a rate of 25 per cent. (or 19 per cent. if the shareholder is eligible for the small profits rate)) on dividends paid by the Company, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class.

#### *Non-UK resident shareholders*

In general (and subject to certain specific cases), unless it is holding shares in connection with or for the purposes of a trade, profession or vocation carried on by it in the UK through a branch or agency in the UK, or in the case of a corporate holder, a trade carried on by it in the UK through a permanent establishment in the UK, a non-UK resident shareholder will not be subject to UK tax in respect of dividends paid by the Company.

A shareholder resident or otherwise subject to tax outside the UK (whether an individual or a body corporate) may, however, be subject to foreign taxation on dividend income under local law. Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

#### ***Taxation of Capital Gains***

Shareholders who are resident in the UK may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to UK taxation on chargeable gains in respect of gains arising from a sale or other disposal of shares in the Company.

#### *Non-UK resident shareholders*

Individual shareholders who cease to be resident in the UK for a period of five years or less may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to UK taxation on chargeable gains in respect of gains arising from a sale or other disposal of shares in the Company.

In general (and subject to certain specific cases), non-UK resident shareholders should not otherwise be subject to UK tax in respect of gains arising from a sale or other disposal of shares in the Company unless their shares are held in connection with or for the purposes of a trade, profession or vocation carried on by them in the UK through a branch or agency in the UK, or in the case of a corporate holder, a trade carried on by it in the UK through a permanent establishment in the UK.

#### ***Individual Savings Accounts ("ISAs")***

The Shares will be qualifying investments for the stocks and shares component under the current ISA regulations. No taxation will be chargeable on any dividends, distributions or gains received in respect of the shares held through an ISA.

The opportunity to invest in shares through an ISA is restricted to individuals. Individuals wishing to invest in shares through an ISA should contact their professional advisers regarding their eligibility. Individual investors contemplating investing in shares through an ISA should note that there is always a risk that their current rights to hold such shares through an ISA may be prejudiced by future changes to the regulations which govern ISAs.

## ***Inheritance Tax***

Shares in the Company will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

## ***Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)***

*The statements in this section are intended as a general guide to the current UK stamp duty and SDRT position. They apply to all shareholders, including shareholders who are not resident or domiciled in the UK. Special rules apply to certain transactions such as transfers of shares to a company connected with the transferor and those rules are not described below. Investors should also note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.*

### ***Share Issues***

No stamp duty or SDRT will arise on the issue of shares by the Company.

### ***Transfers outside of Depositary Receipt Systems and Clearance Services***

An agreement to transfer shares in the Company will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of shares in the Company will generally be subject to stamp duty on an instrument of transfer at the rate of 0.5 per cent. of the consideration given for the transfer (rounded up to the next £5). The purchaser normally pays the stamp duty.

If a duly stamped transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

### ***Transfers within CREST***

Paperless transfers of shares in the Company within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of shares into CREST will not generally be subject to SDRT or stamp duty unless the transfer into CREST is itself for consideration.

### ***Depositary Receipt Systems and Clearance Services***

Special rules apply where shares in the Company are transferred (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a

person whose business is or includes issuing depositary receipts (including in each case within CREST to a CREST account of such a person). In such circumstances, stamp duty or SDRT may be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the shares.

With effect from 1 January 2024, the Finance Act 2024 has introduced new legislation containing exemptions to the 1.5 per cent. stamp duty and SDRT charges on the transfer of shares into clearance services or depositary receipt systems. These exemptions from the 1.5 per cent. charges include exemptions for (i) transfers of shares into clearance services or depositary receipt systems where such transfers are in the course of a capital-raising arrangement (being arrangements pursuant to which securities are issued by a company for the purpose of raising new capital), and (ii) transfers of shares into clearance services or depositary receipt systems where such transfers are in the course of arrangements for the first listing of the shares of a company on a recognised stock exchange and where such arrangements do not affect the beneficial ownership of the shares, or instruments which effect such transfers. Accordingly, specific professional advice should be sought in relation to the application of the 1.5 per cent. stamp duty or SDRT charge.

No stamp duty or SDRT is payable in respect of paperless transfers and agreements to transfer shares within clearance services or in respect of agreements to transfer interests in depositary receipts, save, in the case of a clearance service, where the clearance service has made an election under section 97A(1) of the Finance Act 1986 as described below.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will arise on any transfer of shares in the Company into such an account and on subsequent agreements to transfer such shares within such account.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

### ***The Global Offer***

The sale of the Offer Shares by the Selling Shareholders under the Global Offer will give rise to a liability to stamp duty and/or SDRT as described above. The Selling Shareholders will meet the liability to stamp duty and/or SDRT of purchasers of shares at the normal rate that will arise on such sale under the Global Offer.

### **Certain U.S. Federal Income Tax Considerations**

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Offer Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Offer Shares that are U.S. Holders that will hold the Offer Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Offer Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the shares of the Company by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred



accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Offer Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Offer Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Offer Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Offer Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Offer Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the “IRS”) and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### ***Distributions***

This section is subject to further discussion under “—*Passive Foreign Investment Company Considerations*” below.

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally will be taxable to a U.S. Holder as foreign source dividend income. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in the Offer Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to its shares will be treated as ordinary dividend income. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Dividends paid by the Company generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the



income tax treaty between the United States and the UK, and certain holding period and other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Company if the Company is treated as a passive foreign investment company in the taxable year in which the dividends are received or in the preceding taxable year. See “—*Passive Foreign Investment Company Considerations*” below. Prospective purchasers should consult their tax advisers regarding the qualified dividend income rules.

Dividends paid in British Pounds will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the British Pounds are converted into U.S. dollars at that time. If dividends received in British Pounds are converted into U.S. dollars at the spot rate applicable on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for non-U.S. income taxes withheld by the Company on payments of dividends. Dividends generally will constitute foreign source “passive category income” for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of non-U.S. withholding taxes.

### ***Sale or Other Taxable Disposition***

This section is subject to further discussion under “—*Passive Foreign Investment Company Considerations*” below.

Upon a sale or other taxable disposition of Offer Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder’s adjusted tax basis in the Offer Shares, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period in the Offer Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to significant limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Offer Shares that are not paid in U.S. dollars.

Any gain or loss recognised by a U.S. Holder on the sale or other taxable disposition of Offer Shares generally will be U.S. source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of such sale or other taxable disposition of Offer Shares.

### ***Passive Foreign Investment Company Considerations***

A non-U.S. corporation will be a passive foreign investment company (“PFIC”) in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules”, either (i) at least 75 per cent. of its gross income is “passive income” or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, “passive income” generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions. In general, cash is a passive asset for these purposes.

Based on the Company’s historic and anticipated operations, and the projected composition of the Company’s income and assets, the Company does not believe that it was a PFIC for its most recent taxable year and it does not expect to be a PFIC for the current taxable year. However, the Company’s possible status as a PFIC must be determined annually after the close of each taxable year, and therefore may be subject to change. In addition, the Company’s possible status as a PFIC will also depend on the application of complex statutory and regulatory

rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that the Company will not be a PFIC for any year in which a U.S. Holder holds Offer Shares.

If the Company is a PFIC in any year during which a U.S. Holder holds Offer Shares, and such holder has not made any of the elections described below, the U.S. Holder will generally be subject to special rules (regardless of whether the Company continues to be a PFIC) with respect to (i) any “excess distribution” (generally, any distribution during a taxable year in which distributions received by the U.S. Holder on the Offer Shares are greater than 125 per cent. of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the Offer Shares) and (ii) any gain realised on the sale or other disposition of the Offer Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds Offer Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such holder owns the Offer Shares, even if the Company ceases to meet the threshold requirements for PFIC status. Additionally, dividends paid by the Company will not be eligible for the special reduced rate of tax described above under “*Distributions*” above. If the Company is a PFIC for any taxable year and any entity in which it owns or is deemed to own equity interests is also a PFIC, U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to their indirect ownership of shares in such lower-tier PFICs.

If the Company is a PFIC in a taxable year and the Offer Shares are treated as “marketable stock” in such year, a U.S. Holder may make a mark-to-market election with respect to its Offer Shares. A U.S. Holder that makes such election will not be subject to the PFIC rules described above. Instead, in general, such U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of the Offer Shares at the end of the taxable year over the U.S. Holder’s adjusted basis in the Offer Shares. Such U.S. Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of such holder’s adjusted basis in the Offer Shares over the fair market value of such Offer Shares at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder’s basis in the Offer Shares will be adjusted to reflect any such income or loss amounts. Any gain that is recognised on the sale or other taxable disposition of Offer Shares would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. A mark-to-market election cannot be made for any lower-tier PFICs. U.S. Holders should consult their tax advisers regarding the availability of the mark-to-market election as well as the application of the PFIC rules to their indirect ownership of shares in any lower-tier PFICs.

In some cases, a shareholder of a PFIC may be subject to alternative treatment by making a qualified electing fund (“QEF”) election to be taxed currently on its share of the PFIC’s undistributed income. To make a QEF election, the Company must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Company currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Company is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime to their investment in the Company.

***Backup Withholding and Information Reporting***

Payments of dividends on, and proceeds from the sale or other taxable disposition of, Offer Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Offer Shares, including requirements related to the holding of certain “specified foreign financial assets”.

## **PART XVI**

### **DETAILS OF THE GLOBAL OFFER**

#### **1 Summary of the Global Offer**

The Global Offer comprises an offer of: (i) 11,228,572 New Shares to be issued by the Company, raising expected net proceeds of approximately £23,630,002 (or \$30,063,615) (excluding the payment of any discretionary commissions); and (ii) the sale of 48,060,180 Sale Shares to be sold by the Selling Shareholders. The Company will not receive any of the proceeds from the sale of the Sale Shares (all of which will be paid to the Selling Shareholders).

The Global Offer is being made by way of an offer of the Offer Shares pursuant to the Institutional Offer and the REX Intermediaries Offer.

In addition, Over-allotment Shares (representing up to 10 per cent. of the number of Sale Shares sold by the Principal Shareholder will be made available by the Principal Shareholder pursuant to the Over-allotment Option.

Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares are subject to the restrictions set out in paragraph 9 (Selling and transfer restrictions) in this Part XV.

The Global Offer is subject to satisfaction of conditions which are customary for transactions of this type as set out in the Underwriting Agreement, including, among others, Admission occurring and becoming effective by no later than 8.00 a.m. on 14 June 2024 or such later time and/or date as the Company and the Joint Bookrunners may agree, and the Underwriting Agreement not having been terminated in accordance with its terms.

When admitted to trading, the Shares will be registered with ISIN number GB00BS3DYQ52 and SEDOL number BS3DYQ5 and will trade under the ticker symbol RPI.

The Offer Shares (including any Shares sold pursuant to the Over-allotment Option) being sold or issued (as the case may be) pursuant to the Global Offer will, on and from Admission, rank equally in all respects with the Shares in issue, including for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company. The Offer Shares will, immediately on and from Admission, be freely transferable, subject to the Articles. The rights attaching to the Offer Shares will be uniform in all respects and they will form a single class for all purposes.

Applications are expected to be sought by the Intermediaries from their selected retail investor clients under the REX Intermediaries Offer for Offer Shares on the basis that the exact number of Offer Shares which are the subject of such applications will vary depending on the size of the final Offer. A global application will then be made by the Intermediaries on behalf of their clients, through the REX Intermediaries Offer co-ordinator, and this demand will be taken into account by the Company and the Selling Shareholders alongside indications of interest from institutional investors in the Institutional Offer in conducting the book-building in respect of the Global Offer.

The aggregate allocation of Offer Shares as between the Institutional Offer and the REX Intermediaries Offer will be determined by the Principal Shareholder and the Company in consultation with the Joint Global Co-ordinators. The allocation policy for the REX Intermediaries Offer will be determined by the Principal Shareholder and the Company in consultation with the Joint Global Co-ordinators. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer

Shares. Allocations under the Global Offer will be finally determined by the Principal Shareholder and the Company in consultation with the Joint Global Co-ordinators in accordance with an allocation policy to be determined by the Principal Shareholder and Company in consultation with the Joint Global Co-ordinators.

Immediately following Admission, it is expected that at least 26.10 per cent. of the Company's issued share capital will be held in public hands (within the meaning of paragraph 6.14.3R of the Listing Rules) assuming no Over-allotment Option is exercised pursuant to the Over-allotment Option (increasing to approximately 28.47 per cent. if the maximum number of Over-allotment Shares are sold pursuant to the Over-allotment Option).

## **2 Reasons for the Global Offer and use of proceeds**

The Company believes the Global Offer and Admission will position it for its next stage of its development by:

- enhancing the Company's public profile and brand awareness;
- providing it with access to the public capital markets and new long-term shareholders; and
- assisting in the incentivisation and retention of key management and employees.

The Company intends to use the net proceeds from the issue of the New Shares for engineering capital expenditure, to develop its supply chain resilience and for other general corporate purposes.

In addition, the sale of the Sale Shares as part of the Global Offer will provide the Selling Shareholders with a partial realisation of their investment in the Company. The Selling Shareholders expect to receive net proceeds of approximately £131,861,333 (or \$167,762,511) (excluding the payment of any discretionary commissions), assuming the Over-allotment Option is not exercised.

## **3 Offer Size, Offer Price, Bookbuilding and Allocations**

This section should be read in conjunction with the sections entitled Part V: "*Expected Timetable of Principal Events*" and Part VI: "*Global Offer Statistics*".

The Global Offer comprises an offer of 59,288,752 Offer Shares, of which:

- 11,228,572 are New Shares being issued by the Company; and
- 48,060,180 are Sale Shares being sold by the Selling Shareholders.

Under the Global Offer, all the Offer Shares will be sold, payable in full at the Offer Price. The Offer Price has been determined by the Company and the Principal Shareholder based on consultation with the Joint Bookrunners.

In addition, up to 4,593,506 Over-allotment Shares may be issued pursuant to the Over-allotment Option as set out in Part XVI: "*Details of the Global Offer*".

The Banks will solicit from prospective investors indications of interest in acquiring Offer Shares under the Global Offer. Prospective investors will be required to specify the number of Offer Shares which they would be prepared to acquire at the Offer Price. Subject to the Company and the Principal Shareholder determining allocations (following receipt of an allocation proposal from the Joint Bookrunners), there is no minimum or maximum number of Offer Shares which can be applied for, and multiple applications may be accepted.

The latest time and date for indications of interest in acquiring Offer Shares is set out in Part V: "*Expected Timetable of Principal Events*" but that time may be extended at the Company's discretion (with the agreement of the Joint Bookrunners).

Allocations under the Global Offer will be determined at the discretion of the Company and the Principal Shareholder based on consultation with the Joint Bookrunners. Several factors will be considered in determining the basis of allocation, including the level and nature of demand for Offer Shares in the Global Offer and the objectives of encouraging an orderly and liquid after-market in the Shares and establishing an investor profile consistent with the Company's long-term objectives. If there is excess demand for Offer Shares, allocations may be scaled down in any manner at the discretion of the Company and the Principal Shareholder (following receipt of an allocation proposal from the Joint Bookrunners) and applicants may be allocated Offer Shares having an aggregate value which is less than the sum applied for. The Joint Bookrunners may allocate such Shares at their discretion (subject to consultation with the Company, and subject to its approval) and there is no obligation for the Joint Bookrunners to allocate such Shares proportionately.

Participants in the Global Offer will be advised verbally or by electronic mail of their allocation as soon as practicable following pricing and allocation. Prospective investors in the Global Offer will be committed to acquiring the number of Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or, subject to any statutory withdrawal rights, otherwise withdraw from, such commitment.

Each investor will be required to pay the Offer Price for the Offer Shares sold or issued to such investor in such manner as shall be directed by the Joint Bookrunners.

No commissions, fees, expenses or taxes will be charged to investors by the Company or the Selling Shareholders under the Global Offer. Liability for UK stamp duty and SDRT is described in Part XV: "*Taxation*".

#### **4 Cornerstone Investors**

On 21 May 2024, the Company and the Principal Shareholder entered into agreements (the "Cornerstone Agreements") with each of Arm Technology Investments 2 Limited ("Arm") and Lansdowne Partners (UK) LLP (acting for and on behalf of certain of its funds) (together with Arm, the "Cornerstone Investors"), pursuant to which Arm irrevocably agreed to purchase \$35 million of Offer Shares and Lansdowne Partners (UK) LLP (acting for and on behalf of certain of its funds) irrevocably agreed to purchase up to \$20 million of Offer Shares, in each case as part of the Global Offer and at the Offer Price.

The obligation of the Cornerstone Investors to purchase such Offer Shares in the Global Offer is conditional upon Admission and certain other customary conditions being satisfied, and the Cornerstone Agreements will terminate if such conditions have not been fulfilled or, in certain circumstances, waived by the relevant Cornerstone Investor, on or before 30 June 2024. The Cornerstone Agreements contain customary warranties from the Cornerstone Investors, the Company and the Principal Shareholder.

#### **5 Dealing Arrangements**

The Global Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, including Admission occurring and becoming effective by 8.00 a.m. (London time) on 14 June 2024 or such later date and time as may be determined in accordance with such agreement, and to the Underwriting Agreement not having been terminated. Further details of the Underwriting Agreement are described in paragraph 6 (*Underwriting arrangements*) below. <sup>A</sup>

Application has been made to the FCA for the Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that dealings in the Shares will commence on an unconditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 14 June 2024. Settlement of dealings from that date will be on a two-



day rolling basis. Prior to Admission, it is expected that dealings in the Offer Shares will commence on a conditional basis on the London Stock Exchange on 11 June 2024. The earliest date for settlement of such dealings will be 14 June 2024. **All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a “when issued basis”. If the Global Offer does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned. These dates and times may be changed without further notice.**

It is intended that Offer Shares allocated to investors who wish to hold Shares in uncertificated form will receive allocations through CREST on Admission. Temporary documents of title will not be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

Where investors wish to hold shares in certificated form, it is intended that definitive share certificates in respect of the Global Offer will be distributed from 14 June 2024 or as soon as practicable thereafter. Temporary documents of title will not be issued.

In connection with the Global Offer, each of the Banks and any of their respective affiliates or agents acting as an investor for its or their own account(s) may take up a portion of the Offer Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such Shares and the Company’s other securities or related investments in connection with the Global Offer or otherwise. Accordingly, references in this Prospectus to the Offer Shares being offered, acquired, placed, sold or otherwise dealt in should be read as including any offer, acquisition, dealing or placing by the Banks and any of their respective affiliates acting as an investor for its or their own account(s). In addition, certain of the Banks and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Bank (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Banks or any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

## **6 CREST**

CREST is a paperless settlement system allowing securities to be evidenced otherwise than by a certificate, and to be transferred from one person’s CREST account to another’s without the need to use share certificates or written instruments of transfer. The Articles will permit the holding of Shares under the CREST system.

Application has been made for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system, if any shareholder so wishes.

CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Offer Shares in the Global Offer may, however, elect to receive Offer Shares in uncertificated form if that investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **7 Underwriting arrangements**

The Joint Bookrunners have entered into commitments under the Underwriting Agreement pursuant to which they have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Shares to be issued by the Company and to procure purchasers for the Sale Shares to be sold by the Selling Shareholders in the Institutional Offer or, failing which, themselves to subscribe for or purchase such Offer Shares, as the case may be, at the Offer Price. The Underwriting Agreement provides for the Banks to be paid commission in respect of the New Shares issued and the Sale Shares sold and in respect of any Over-allotment



Shares sold pursuant to the Over-allotment Option. Any commissions received by the Banks may be retained, and any Shares acquired by them may be retained or dealt in, by them, for their own behalf.

The Company and the Banks expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Global Offer. If such right is exercised, the Global Offer will lapse, and any monies received in respect of the Global Offer will be returned to investors without interest.

Further details of the terms of the Underwriting Agreement are set out in paragraph 12 (*Underwriting and Selling Shareholders arrangements*) of Part XVII: “*Additional Information*”. Certain selling and transfer restrictions are set out in paragraph 12 below.

## **8 Lock-up arrangements**

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions during the period of 180 days from (but not including) the date of Admission, and the Principal Shareholder has agreed that, subject to certain exceptions, during the period of 360 days from (but not including) the date of Admission, it will not, without the prior written consent of the Joint Bookrunners, issue, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement and related arrangements, the Directors have agreed that, subject to certain exceptions, during the period of 365 days from (but not including) the date of Admission they will not, without the prior written consent of the Joint Bookrunners, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Further details of these arrangements are set out in paragraph 12 (*Underwriting and Selling Shareholders arrangements*) of Part XVII: “*Additional Information*”.

## **9 Stabilisation and Over-allotment Option**

In connection with the Global Offer, Jefferies International Limited, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilisation transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such stabilisation transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. There is no assurance that stabilising transactions will be undertaken. Such transactions, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Global Offer.

In connection with the Global Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 10 per cent. of the total number of Sale Shares to be sold by the Principal Shareholder in the Global Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, the Principal Shareholder has granted to it the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for up to 4,593,506 additional Shares (representing up to 10 per cent. of the total number of Sale Shares to be sold by the Principal Shareholder in the Global Offer) at the Offer Price. The

Over-allotment Option is exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being sold in the Global Offer and will form a single class for all purposes with the other Shares.

## **10 Stock Lending Arrangements**

In connection with the Over-allotment Option, the Stabilising Manager will enter into the Stock Lending Agreement with the Principal Shareholder pursuant to which the Stabilising Manager, on Admission, will be able to borrow up to 4,593,506 Shares for the purposes, amongst other things, of allowing the Stabilising Manager to settle, at Admission, over-allotments of Shares, if any, made in connection with the Global Offer. If the Stabilising Manager borrows any Shares pursuant to the Stock Lending Agreement, it will be required to return equivalent securities to the Principal Shareholder in accordance with the terms of the Stock Lending Agreement.

## **11 Withdrawal rights**

If the Company is required to publish any supplementary prospectus at any time before Admission, applicants who have applied to subscribe for or purchase Offer Shares in the Global Offer will have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Offer Shares in the Global Offer in its entirety.

If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares in the Global Offer will remain valid and binding.

Details of how to withdraw an application will be made available if a supplementary prospectus is published.

Any supplementary prospectus will be published in accordance with the Prospectus Regulation Rules (and notification thereof will be made to a Regulatory Information Service) but will not be distributed to investors individually. Any such supplementary prospectus will be available free of charge on the Company's website [www.raspberrypi.com](http://www.raspberrypi.com) until 14 days after Admission.

## **12 Selling and transfer restrictions**

The distribution of this Prospectus and the offer of Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Offer Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of Offer Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Prospectus does not constitute an offer to subscribe for or purchase any of the Offer Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

### ***European Economic Area***

In relation to each Member State, no Offer Shares have been offered or will be offered pursuant to the Global Offer to the public in that Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the EU Prospectus Regulation, except that offers of Offer Shares may be made to the public in that Member State at any time under the following exemptions under the EU Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or of a supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that the Offer Shares acquired by it in the Global Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale. Neither the Company nor the Joint Bookrunners have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of Offer Shares contemplated in this Prospectus.

The Company, the Selling Shareholders, the Banks and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Banks of such fact in writing may, with the prior consent of the Joint Bookrunners, be permitted to acquire Offer Shares in the Global Offer.

### ***United States***

The Offer Shares have not been and will not be registered under the U.S. Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S. The Underwriting Agreement provides that the Banks may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Offer Shares within the United States only to

QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

In addition, until 40 days after the commencement of the Global Offer of the Offer Shares, an offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Global Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act.

Each purchaser of Offer Shares within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- it is (i) a QIB within the meaning of Rule 144A, (ii) acquiring such Offer Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (iii) acquiring the Offer Shares for investment purposes, and not with a view to further distribution of such Offer Shares, and (iv) aware, and each beneficial owner of such Offer Shares has been advised, that the sale of such Offer Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- it understands that such Offer Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the U.S. Securities Act and that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, (ii) in an offshore transaction, as defined in, and in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state of the United States. It further (A) understands that the Offer Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Offer Shares established or maintained by a depositary bank, (B) acknowledges that the Offer Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Offer Shares and (C) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Offer Shares made other than in compliance with the abovementioned restrictions;
- it understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

**THE OFFER SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED**

**INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THE OFFER SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE OFFER SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE OFFER SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.**

; and

- It represents that if, in the future, it offers, resells, pledges or otherwise transfers such Offer Shares while they remain “restricted securities” within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Banks and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Offer Shares for the account of one or more QIBS, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

**Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.**

### ***United Kingdom***

In relation to the UK, no Offer Shares have been or will be offered pursuant to the Global Offer to the public in the UK prior to the publication of this Prospectus which has been approved by the FCA under section 87A of the FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules, except that the Offer Shares may be offered to the public in the UK at any time:

- (i) to any legal entity which is a Qualified Investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- (iii) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Offer Shares shall require the Company or any of the Banks to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. Neither the Company nor the Banks have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Banks which constitute the final placement of Offer Shares contemplated in this Prospectus. Each person in the UK who acquires any Offer Shares in the Global Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that it is a qualified investor within the meaning of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of assimilated EU law by virtue of the European Union Withdrawal Act (EUWA).

### **Canada**

The Offer Shares may be sold only to purchasers in certain provinces purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation (as defined under applicable Canadian securities legislation), provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“NI 33-105”), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Global Offer.

Each Canadian investor hereby confirms its express wish that all documents evidencing or relating in any way to the sale of the Offer Shares and all other contracts and related documents be drafted in the English language. *Chaque investisseur Canadien confirme sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes ainsi que tous les autres contrats et documents s’y rattachant soient rédigés en langue anglaise.*

### **Japan**

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines



promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### ***Switzerland***

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares or the Global Offer may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Global Offer, the Company or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Offer Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and the offer of Offer Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Offer Shares.

### ***Singapore***

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Offer Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the SFA; (2) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Offer Shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA;
- (v) or as specified in Regulation 37A of the Securities and Futures (Offers and Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.



## ***Hong Kong***

This Prospectus has not been, and will not be, approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any Offer Shares other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

No person sold Offer Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares. The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. Potential equity investors are advised to exercise caution in relation to the offer. Potential equity investors in doubt about any contents of this Prospectus should obtain independent professional advice.

## ***Australia***

This Prospectus:

- (i) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (“Corporations Act”);
- (ii) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act;
- (iii) has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (“ASIC”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and
- (iv) may not be provided in Australia other than to select investors (“Exempt Investors”) who are able to demonstrate that they: (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations.

By submitting an application for the Offer Shares, each subscriber or purchaser of Offer Shares represents and warrants to the Company, the Selling Shareholders, the Banks and their affiliates that such subscriber or purchaser is an Exempt Investor.

As any offer of Offer Shares under this Prospectus, any supplement or the accompanying prospectus or any other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require

disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares, each subscriber or purchaser of Offer Shares undertakes to the Company, the Selling Shareholders, the Banks that such subscriber or purchaser will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

### ***South Africa***

The offer of securities mentioned herein does not constitute, envisage or represent an offer to the public in South Africa, as envisaged in the Companies Act No. 71 of 2008 (as amended) (“SA Companies Act”) and this Prospectus is not a registered prospectus (as such term is defined in section 95(1)(k) of the SA Companies Act) nor is it intended that a prospectus will be prepared and registered under the SA Companies Act. Accordingly, in South Africa, any offer will only be made to: (i) selected persons falling within one of the specified categories listed in section 96(1)(a) of the SA Companies Act; and (ii) selected persons, acting as principal, acquiring securities for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the SA Companies Act. Nothing in this Prospectus should be viewed, or construed, as “advice” as that term is used in the South African Financial Markets Act No 19 of 2012 and/or the South African Financial Advisory and Intermediary Services Act No 37 of 2002 (“FAIS”) nor should it be construed as constituting the canvassing for, or marketing or advertising of financial services in South Africa as contemplated in FAIS.

The right of any entity or individual who is a South African resident to participate in any offer of securities mentioned herein is subject to such resident having obtained all necessary exchange control approvals pursuant to the South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act No 9 of 1933 (as amended), the policies and directives of the Financial Surveillance Department of the South African Reserve Bank.

### ***Qatar***

The Offer Shares are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Offer Shares. This Prospectus does not constitute an offer to the public in Qatar and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee’s consideration thereof). No transaction will be concluded in your jurisdiction and any inquiries regarding the Offer Shares should be made to the Joint Bookrunners.

## **13 The REX Intermediaries Offer**

Members of the general public will not be able to apply for Offer Shares in the Global Offer directly. They may have, however, been eligible to apply for Offer Shares through the Intermediaries, by following the relevant application procedures which closed on 10 June 2024. The Intermediaries may not permit the underlying applicants to make more than one application under the REX Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan).

The REX Intermediaries Offer was made to retail investors in the United Kingdom only. No Offer Shares allocated under the REX Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom except in certain limited circumstances with the consent of the Banks and the Company. For the avoidance of doubt, applicants in the United States were not able to participate in the REX Intermediaries Offer.

Applications under the REX Intermediaries Offer were made by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Offer Shares or the Offer Price. The minimum

monetary amount per applicant was £250 and the maximum was £200,000. An application for Offer Shares in the REX Intermediaries Offer means that the applicant agreed to acquire the Offer Shares at the Offer Price.

Each applicant must have complied with the appropriate money laundering checks required by the relevant Intermediary. Where an application was not accepted or there were insufficient Offer Shares available to satisfy an application in full, the relevant Intermediary is obliged to refund the applicant as required and all such refunds shall be made in accordance with the terms provided by the Intermediary to the applicant. The Company, the Banks and the Selling Shareholders accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will be required on appointment to agree, to adhere to and be bound by the Intermediaries terms and conditions, which regulate, inter alia, the conduct of the REX Intermediaries Offer on market standard terms and provide for the payment of commission to any Intermediary that elects to receive commission from the REX Intermediaries Offer Co-ordinator.

Pursuant to the Intermediaries terms and conditions, in making an application, each Intermediary is required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States. Under the REX Intermediaries Offer, Offer Shares will only be offered to persons outside the United States in reliance on Regulation S.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom subject to the terms of the Intermediaries terms and conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and shall not be reviewed or approved by the REX Intermediaries Offer Co-ordinator, the Company or the Selling Shareholders. Any liability relating to such documents shall be for the Intermediaries only. **Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. Intermediaries are required to provide the Intermediary terms and conditions to any prospective investor who has expressed an interest in participating in the REX Intermediaries Offer.**

Each Intermediary will be informed by the REX Intermediaries Offer Co-ordinator by email of the aggregate number of Offer Shares allocated to their underlying clients (or to the Intermediaries themselves) and the total amount payable in respect thereof. The aggregate allocation of Offer Shares as between the Institutional Offer and the REX Intermediaries Offer will be determined by the Principal Shareholder and the Company in consultation with the Joint Global Co-ordinators. The allocation policy for the REX Intermediaries Offer will be determined by the Principal Shareholder and the Company in consultation with the Joint Global Co-ordinators. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares.

The publication of this document and/or any supplementary prospectus and any other actions of the Company, the Selling Shareholders, the Joint Global Co-ordinators, the Intermediaries or other persons in connection with the Global Offer should not be taken as any representation or assurance by any such person as to the basis on which the number of Offer Shares to be offered under the REX Intermediaries Offer or allocations within the REX Intermediaries Offer will be determined, and all liabilities for any such action or statement are hereby disclaimed by the REX Intermediaries Offer Co-ordinator, the Company and the Selling Shareholders.

Pursuant to the Intermediaries terms and conditions, the Intermediaries have undertaken to make payment on their own behalf (not on behalf of any other person) of the consideration for the Offer Shares allocated, at the Offer Price, to the REX Intermediaries Offer Co-ordinator in accordance with details to be communicated on or after the time of allocation, by means of CREST against the delivery of the Offer Shares at the time and/or date set out in Part V: “*Expected Timetable of Principal Events*” or at some other time and/or date after the day

of publication of the Offer Price as may be agreed by the Company, the Selling Shareholders and the REX Intermediaries Offer Co-ordinator and notified to the Intermediaries.

The Intermediaries terms and conditions provide for the Intermediaries to have an option to be paid a commission by the REX Intermediaries Offer Co-ordinator in respect of the Offer Shares allocated to and paid for by them pursuant to the REX Intermediaries Offer.

## PART XVII

### ADDITIONAL INFORMATION

#### 1 Responsibility

The Company and the Directors, whose names are set out in Part IX: “*Directors, Senior Management and Corporate Governance*”, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

#### 2 Incorporation

- 2.1 The Company is a public limited company with registered number 15557387, incorporated in England and Wales on 12 March 2024 as a private company limited by shares under the Companies Act 2006 with the name Raspberry Pi ListCo Limited and re-registered as a public company limited by shares and renamed Raspberry Pi Holdings plc on 3 June 2024.
- 2.2 The Company’s registered office and principal place of business is at 194 Cambridge Science Park, Milton Road, Cambridge, England, CB4 0AB. Its telephone number is +44 1223 755933 and LEI is 984500F5FB0E4FEBED17. Its website is [www.raspberrypi.com](http://www.raspberrypi.com). The contents of the Company’s website do not form part of this Prospectus.
- 2.3 The principal laws and legislation under which the Company operates and under which the Shares have been created are the Companies Act 2006 and regulations made thereunder. The Company operates in conformity with its constitution.
- 2.4 The Company’s business, and its principal activity, is to act as the ultimate holding company of the Group.

#### 3 Share Capital

The Company’s share capital history since incorporation is as follows:

- 3.1 The Company was incorporated on 12 March 2024 as a private limited company with an issued share capital of £40 consisting of one ordinary share of nominal value of £40, which was subscribed for by the Principal Shareholder.
- 3.2 On 23 May 2024, the Company acquired the entire issued share capital of RPL in exchange for the issuance of 5,670,549 ordinary shares with a nominal value of £40 each and 974,000 B ordinary shares with a nominal value of £0.0000002 each in the capital of the Company to the Principal Shareholder, management, and the minority investors in RPL pursuant to a share for share exchange.
- 3.3 On 23 May 2024, the Company reduced the nominal value of each of its ordinary shares from £40 to £0.10 in order to create distributable reserves.
- 3.4 On 3 June 2024, the Company re-registered as a public limited company under the Companies Act 2006 and its name was changed to Raspberry Pi Holdings plc.
- 3.5 On 10 June 2024, the Company undertook a share reorganisation which included the sub-division of its ordinary shares into ordinary shares and deferred shares of £0.0025 each, the issue and consolidation of B ordinary shares and the redesignation of all remaining B ordinary shares into ordinary shares. Following this share reorganisation, the Company had 182,187,143 ordinary shares of £0.0025 each and 61,610,435 deferred shares of £0.0025 each.

**3.6** On 10 June 2024, by members' resolutions, it was resolved that the deferred shares of £0.0025 each in the share capital of the Company shall have the following rights:

- 3.6.1 the holders of deferred shares shall have no right to receive any dividend or other distribution (in their capacity as holders of such shares);
- 3.6.2 the holders of deferred shares shall have no right (in their capacity as holders of such shares), and the deferred shares shall confer no right, to receive notice of or to attend, speak or vote at any general meeting of the Company;
- 3.6.3 the Company may from time to time allot and issue further shares, whether ranking equally with or in priority to the deferred shares, and on such allotment or issue, any such further shares (whether or not ranking in any respect in priority to the deferred shares) shall be treated as being in accordance with the rights attaching to the deferred shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the deferred shares;
- 3.6.4 a reduction by the Company of the capital paid up or credited as paid up on the deferred shares and/or the cancellation of such shares (with or without any payment in respect thereof) shall be treated as being in accordance with the rights attaching to the deferred shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce or cancel its capital (in accordance with the Companies Act 2006) without obtaining the consent of the holders of the deferred shares;
- 3.6.5 without prejudice to paragraphs 3.6.3 and 3.6.4 above, the Company is authorised to reduce or cancel (or purchase shares in) its capital of any class or classes and such reduction or cancellation (or purchase) shall not involve a variation of any rights attaching to the deferred shares for any purpose or require the consent of the holders of the deferred shares;
- 3.6.6 the deferred shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares. The deferred shares shall be non-transferable except in accordance with paragraph 3.6.7 below or with the written consent of the directors of the Company; and
- 3.6.7 the Company may at any time (and from time to time), in accordance with the provisions of the Companies Act 2006, without obtaining the sanction of the holder or holders of the deferred shares, purchase all but not some only of the deferred shares then in issue for a price of £0.01 to be paid to each holder of deferred shares at that time for their entire holding of such deferred shares. In order to effect such a purchase, the Company shall have irrevocable authority to appoint any person to execute on behalf of each holder of deferred shares at that time a transfer of their entire holding of such deferred shares to the Company.

**3.7** On 10 June 2024, by members' resolutions, it was resolved that, conditional on Admission:

- 3.7.1 the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006, in substitution of all prior authorities conferred upon them, to exercise all of the Company's powers to allot shares with an aggregate nominal value of up to £1,000,000,000, with such authority expiring immediately on Admission or, if earlier, on 30 June 2024, save that the Company may, before such expiry, make an offer or enter into an agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the authority had not expired;
- 3.7.2 in addition to any authority granted pursuant to the resolution referred to in paragraph 3.7.1 above, the Directors be generally and unconditionally authorised pursuant to section 551 of the

Companies Act 2006, in substitution for all prior authorities conferred upon them, to exercise all of the Company's powers to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company:

- (a) up to a further nominal amount of £201,133 (representing approximately one-third of the Company's nominal issued ordinary share capital (excluding treasury shares) immediately following Admission); and
- (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006), up to a further nominal amount of £201,133 (representing approximately one-third of the Company's nominal issued share capital (excluding treasury shares) immediately following Admission) in connection with an offer by way of a rights issue:
  - (I) to holders of shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - (II) to holders of other equity securities as required by the rights of those securities or subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical matters in, or under the laws of, any territory or any other matter,

such authorities to expire (unless previously revoked, varied or renewed) on 10 September 2025 or, if earlier, at the conclusion of the Company's next annual general meeting, but in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority given by this resolution has expired and the Directors may allot shares in pursuance of such offer or agreement as if the authority had not expired;

3.7.3 the Directors be authorised to allot equity securities (as defined in section 560(1) of the Companies Act 2006) wholly for cash:

- (a) pursuant to the authority referred to in paragraph 3.7.2(a) above, or where the allotment constitutes an allotment of equity securities (as defined in section 560(3) of the Companies Act 2006), in each case:
  - (I) in connection with a pre-emptive offer; and
  - (II) otherwise than in connection with a pre-emptive offer, up to a maximum nominal amount of £60,949.40 (representing ten per cent. of the Company's nominal issued ordinary share capital (excluding treasury shares) immediately following Admission); and
- (b) pursuant to the authority referred to in paragraph 3.7.2(b) above in connection with a rights issue in substitution for all prior powers conferred upon them, but without prejudice to any allotments made pursuant to the terms of such powers,

as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, with such authority to expire (unless previously revoked, varied or renewed) on 10 September 2025 or, if earlier, at the conclusion of the next annual general meeting of the Company, but so that the Company may make an offer or enter into an agreement which would, or might, require equity



securities to be allotted after the authority given by this resolution has expired and the Directors may allot equity securities under any such offer or agreement as if the authority had not expired;

- 3.7.4 in addition to any authority granted pursuant to the resolution referred to in paragraph 3.7.3 above, the Directors be authorised pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) wholly for cash pursuant to the authority granted pursuant to the resolution referred to in paragraph 3.7.2 above or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, such authority to be:

- (a) limited to the allotment of equity securities up to an aggregate nominal amount of £ 60,949.40 (representing ten per cent. of the Company's nominal issued ordinary share capital (excluding treasury shares) immediately following Admission); and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of general meeting at which these resolutions were passed,

such authority to expire at the conclusion of the Company's next annual general meeting or at the close of business on 10 September 2025, whichever is the earlier, but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted after the authority given by this resolution has expired and the Directors may allot equity securities under any such offer or agreement as if the authority had not expired; and

- 3.7.5 the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (as defined in section 693(4) of the Companies Act 2006) of shares, subject to the following conditions:

- (a) the number of shares authorised to be purchased may not be more than the number equal to 10 per cent. of the aggregate nominal value of the Company's issued share capital immediately following Admission;
- (b) the minimum price (excluding expenses) which may be paid for a share is £0.0025 (being the nominal value of the Shares;
- (c) the maximum price (excluding expenses) which may be paid for a share is an amount equal to the higher of:
  - (I) 105 per cent. of the average of the closing price of a share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
  - (II) the higher of the price of the last independent trade and the highest current bid stipulated by the Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of Market Abuse Regulation,

with such authority expiring on 10 September 2025 or, if earlier, at the end of the Company's next annual general meeting (except in relation to the purchase of shares, the contract of which

was concluded before the expiry of such authority and which might be exceeded wholly or partly after such expiry) unless such authority is renewed prior to such time.

**3.8** As at the Reference Date, the Company did not hold any shares in treasury.

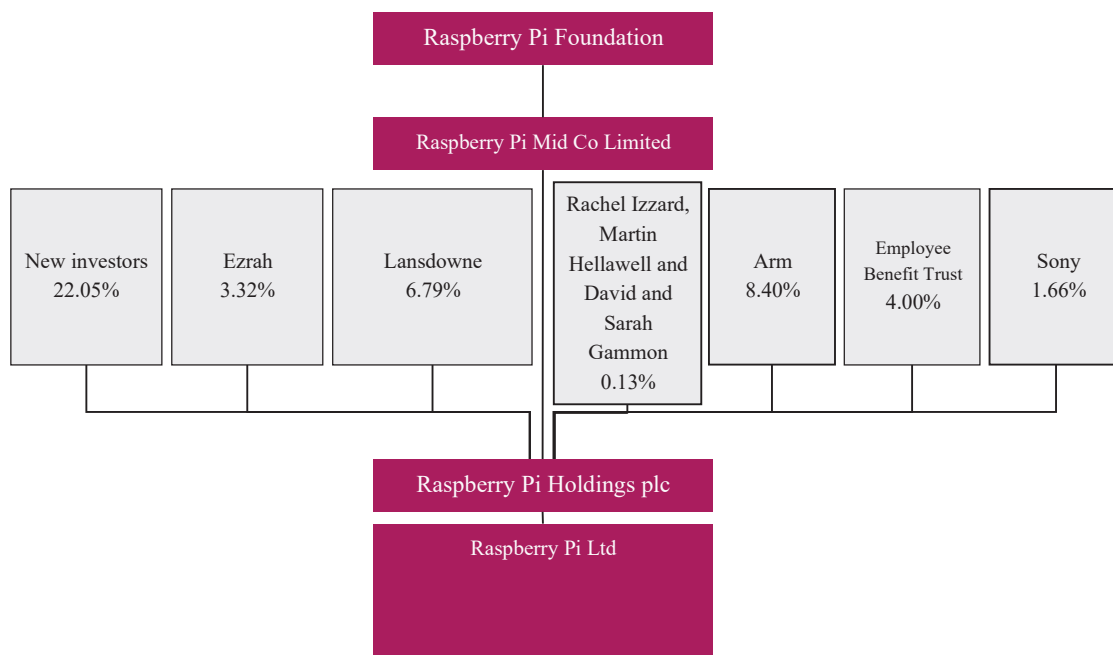
**3.9** The Company has no convertible securities, exchangeable securities or securities with warrants in issue.

#### **4 Pre-IPO Reorganisation**

In connection with Admission, the Existing Group has undertaken certain steps as part of a reorganisation of its corporate structure (the “Pre-IPO Reorganisation”). The key steps of this Pre-IPO Reorganisation were as follows:

- 4.1** On 12 March 2024, the Company was incorporated as a private limited company with the name Raspberry Pi ListCo Limited with an issued share capital of £40 consisting of one ordinary share of nominal value of £40, which was subscribed for by the Principal Shareholder.
- 4.2** On 23 May 2024, RPL sub-divided each of its existing shares such that:
  - 4.2.1** 113,411 ordinary shares of £0.00001 were split into 5,670,550 ordinary shares of £0.0000002; and
  - 4.2.2** 19,480 B ordinary shares of £0.00001 were split into 974,000 B ordinary shares of £0.0000002.
- 4.3** On 23 May 2024, the Company acquired the entire issued share capital of RPL in exchange for the issuance of 5,670,549 ordinary shares with a nominal value of £40 each and 974,000 B ordinary shares with a nominal value of £0.0000002 each in the capital of the Company to the Principal Shareholder, management, and the minority investors in RPL pursuant to a share for share exchange.
- 4.4** On 23 May 2024, the Company reduced the nominal value of each of its ordinary shares from £40 to £0.10 in order to create distributable reserves.
- 4.5** On 3 June 2024, the Company then re-registered as a public limited company under the Companies Act 2006 and its name changed to Raspberry Pi Holdings plc.
- 4.6** On 10 June 2024, the Company undertook a share reorganisation which included:
  - 4.6.1** the sub-division of its ordinary shares into ordinary shares and deferred shares of £0.0025 each, the issue and consolidation of B ordinary shares and the redesignation of all remaining B ordinary shares into ordinary shares, such that the Company had 182,187,143 Shares (prior to the issuance of the New Shares) and 61,610,435 deferred shares of £0.0025 each; and
  - 4.6.2** the adoption of the Articles containing the rights and restrictions attaching to the Shares.

4.7 The chart below illustrates the structure of the Group as at Admission and following completion of the Pre-IPO Reorganisation:



## 5 Articles of Association

The Company's objects are not restricted by its Articles. Accordingly, pursuant to Section 31 of the Companies Act 2006, the Company's objects are unrestricted.

The Articles contain, among others, provisions to the following effect:

### 5.1 Shares

#### 5.1.1 Respective rights of different classes of shares

Without prejudice to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as determined either by the Company by ordinary resolution or, if it passes a resolution to so authorise them, the Directors. The Company may also issue shares which are or are liable to be redeemed at its option or that of the holder and the Directors may determine the terms, conditions and manner of redemption of any such shares.

#### 5.1.2 Voting rights

At a general meeting, subject to any special rights or restrictions attached to any class of shares:

- (a) on a show of hands, every member present in person and every duly appointed proxy present shall have one vote;
- (b) on a show of hands, a proxy has one vote for and one vote against the resolution, and one vote against the resolution if the proxy has been duly appointed by more than one member entitled to vote on the resolution and the proxy has been instructed:
  - (I) by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or
  - (II) by one or more of those members to vote either for or against the resolution and by one or more other of those members to use his discretion as to how to vote; and

- (c) on a poll, every member present in person or by proxy has one vote for every share held by him.

A proxy shall not be entitled to vote on a show of hands or on a poll where the member appointing the proxy would not have been entitled to vote on the resolution had he been present in person.

Unless the directors resolve otherwise, no member shall be entitled to vote either personally or by proxy or to exercise any other right in relation to general meetings if any call or other sum due from him to the Company in respect of that share remains unpaid.

#### 5.1.3 **Variation of rights**

Whenever the Company's share capital is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the written consent of the holders of three-quarters in nominal value of the issued shares of the class (excluding shares held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise), and may be so varied or abrogated either while the Company is a going concern or during or in contemplation of a winding-up.

The special rights attached to any class of shares will not, unless otherwise expressly provided by the terms of issue, be deemed to be varied by (a) the creation or issue of further shares ranking, as regards participation in the Company's profits or assets, in some or all respects equally with them but in no respect in priority to them, or (b) the purchase or redemption by the Company of any of its own shares.

#### 5.1.4 **Transfer of shares**

Transfers of certificated shares must be effected in writing or in any other form acceptable to the Directors, and signed by or on behalf of the transferor and, if any of the shares are not fully-paid shares, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect of those shares. Transfers of uncertificated shares may be effected by means of a relevant system (i.e. CREST) unless the CREST Regulations provide otherwise.

The directors may decline to register any transfer of a certificated share, unless (a) the instrument of transfer is in respect of only one class of share, (b) the instrument of transfer is lodged at the transfer office, duly stamped if required, accompanied by the relevant share certificate(s) or other evidence reasonably required by the Directors to show the transferor's right to make the transfer or, if the instrument of transfer is executed by some other person on the transferor's behalf, the authority of that person to do so, and (c) the certificated share is fully paid up.

The Directors may refuse to register an allotment or transfer of shares in favour of more than four persons jointly.

#### 5.1.5 **Restrictions where notice not complied with**

If any person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act 2006) has been duly served with a notice under Section 793 of the Companies Act 2006 (which confers upon public companies the power to require information as to interests in its voting shares) and is in default for a period of 14 days in supplying the Company with the information required by that notice:

- (a) the holder of those shares shall not be entitled to attend or vote (in person or by proxy) at any shareholders' meeting, unless the Directors otherwise determine; and

- (b) the Directors may in their absolute discretion, where those shares represent 0.25 per cent. or more of the issued shares of a relevant class, by notice to the holder direct that:
  - (I) any dividend or part of a dividend (including shares issued in lieu of a dividend) or other money which would otherwise be payable on the shares will be retained by the Company without any liability for interest; and/or
  - (II) (with various exceptions set out in the Articles) transfers of the shares will not be registered.

#### 5.1.6 **Forfeiture and lien**

If a member fails to pay in full any sum which is due in respect of a share on or before the due date for payment, then, following notice by the Directors requiring payment of the unpaid amount with any accrued interest and any expenses incurred, such share may be forfeited by a resolution of the directors to that effect (including all dividends declared in respect of the forfeited share and not actually paid before the forfeiture).

A member whose shares have been forfeited will cease to be a member in respect of the shares, but will remain liable to pay the Company all monies which at the date of forfeiture were presently payable together with interest. The Directors may in their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal, or waive payment in whole or part.

The Company shall have a lien on every share that is not fully paid for all monies called or payable at a fixed time in respect of such share. The Company's lien over a share takes priority over the rights of any third party and extends to any dividends or other sums payable by the Company in respect of that share. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt from such a lien, either wholly or partially.

A share forfeited or surrendered shall become the Company's property and may be sold, re-allotted or otherwise disposed of to any person (including the person who was, before such forfeiture or surrender, the holder of that share or entitled to it) on such terms and in such manner as the directors think fit. The Company may deliver an enforcement notice in respect of any share if a sum in respect of which a lien exists is due and has not been paid. The Company may sell any share in respect of which an enforcement notice, delivered in accordance with the Articles, has been given if such notice has not been complied with. The proceeds of sale shall first be applied towards payment of the amount in respect of the lien to the extent that amount was due on the date of the enforcement notice, and then on surrender of the share certificate for cancellation, to the person entitled to the shares immediately prior to the sale.

## 5.2 **General meetings**

### 5.2.1 **Annual general meeting**

An annual general meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date, at such date and time as may be decided by the Directors.

### 5.2.2 **Convening of general meetings**

The Directors may, whenever they think fit, call a general meeting. The Directors are required to call a general meeting once they received requests from the Company's members to do so in accordance with the Companies Act 2006.

### 5.2.3 **Postponement or cancellation of general meetings**

The Directors may resolve to postpone or cancel any general meeting or move the place or places (including, for a combined physical and electronic general meeting, electronic platform) of such meeting before the time at which it is to be held, except where the postponement or cancellation or move would be contrary to the Legislation. The Directors may give notice of a postponement or cancellation or move as they think fit but any failure to give notice of a postponement or cancellation or move does not invalidate the postponement or cancellation or move or any resolution passed at a postponed or moved meeting. Notice of the business of a postponed or moved meeting does not need to be given again. If a meeting is postponed or moved, the appointment of a proxy for that meeting is valid if it is done in accordance with these Articles and received not less than 48 hours before the commencement of the postponed or moved meeting to which it relates. The Directors may also postpone or cancel or move a postponed or moved meeting under this Article.

### 5.2.4 **Notice of general meetings etc.**

Notice of general meetings shall include all information required to be included by the Companies Act 2006 and shall be given to all members other than those members who are not entitled to receive such notices from the Company under the provisions of the Articles. The Company may determine that only those persons entered on the Register of Members at the close of business on a day decided by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such a notice.

For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes such persons may cast, the Company must specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. The Directors may in their discretion resolve that, in calculating such period, no account shall be taken of any part of any day that is not a working day (within the meaning of Section 1173 of the Companies Act 2006).

### 5.2.5 **Quorum**

No business other than the appointment of a chair shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present at the general meeting or represented or by proxy shall be a quorum.

### 5.2.6 **Conditions of admission**

The Directors may require attendees to submit to searches or put in place such arrangements or restrictions as they think fit to ensure the safety and security of attendees at a general meeting. Any member, proxy or other person who fails to comply with such arrangements or restrictions may be refused entry to, or removed from, the general meeting.

The Directors may decide that a general meeting shall be held at two or more locations to facilitate the organisation and administration of such meeting. A member present in person or by proxy at the designated “satellite” meeting place may be counted in the quorum and may exercise all rights that they would have been able to exercise if they had been present at the principal meeting place. The Directors may make and change from time to time such arrangements as they shall in their absolute discretion consider appropriate to:

- (a) ensure that all members and proxies for members wishing to attend the meeting can do so;

- (b) ensure that all persons attending the meeting are able to participate in the business of the meeting and to see and hear anyone else addressing the meeting;
- (c) ensure the safety of persons attending the meeting and the orderly conduct of the meeting; and
- (d) restrict the numbers of members and proxies at any one location to such number as can safely and conveniently be accommodated there.

## **5.3 Directors**

### **5.3.1 General powers**

The Directors shall manage the Company's business and affairs and may exercise all of the Company's powers other than those that are required by the Companies Act 2006 or by the Articles to be exercised by the Company at the general meeting.

### **5.3.2 Number of directors**

The Directors shall not be less than two and not more than fifteen in number. The Company may, by ordinary resolution, from time to time vary the minimum number of directors.

### **5.3.3 Share qualification**

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

### **5.3.4 Directors' fees**

Directors' fees are determined by the Directors from time to time except that they may not exceed £3,000,000 per annum in aggregate or such higher amount as may from time to time be determined by ordinary resolution of the shareholders.

Any Director who holds any executive office (including the office of Chair or Deputy Chair), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

### **5.3.5 Executive directors**

The Directors may from time to time appoint one or more of their number to be the holder of any executive office and may confer upon any director holding an executive office any of the powers exercisable by them as Directors upon such terms and conditions, and with such restrictions, as they think fit. They may from time to time revoke, withdraw, alter or vary all or any of such delegated powers.

### **5.3.6 Directors' retirement**

Each Director shall retire at the annual general meeting held in the third calendar year following the year in which he was elected or last re-elected by the Company (this is in addition to the requirement under the UK Corporate Governance Code for each Director to retire annually). In addition, each Director (other than the Chair and any Director holding an executive office) shall also be required to retire at each annual general meeting following the ninth anniversary on the date on which he was elected by the Company. A Director who retires at any annual general meeting shall be eligible for election or re-election unless the Directors resolve otherwise not later than the date of the notice of such annual general meeting.



When a Director retires at an annual general meeting in accordance with the Articles, the Company may, by ordinary resolution at the meeting, fill the office being vacated by re-electing the retiring Director. In the absence of such a resolution, the retiring Director shall nevertheless be deemed to have been re-elected, except in the cases identified by the Articles.

**5.3.7 Removal of a director by resolution**

The Company may, by ordinary resolution of which special notice is given, remove any Director before the expiration of his period of office in accordance with the Companies Act 2006, and elect another person in place of a Director so removed from office. Such removal may take place notwithstanding any provision of the Articles or of any agreement between the Company and such Director, but is without prejudice to any claim the Director may have for damages for breach of any such agreement.

**5.3.8 Proceedings of the Board of Directors**

Subject to the provisions of the Articles, the Directors may meet for the despatch of business and adjourn and otherwise regulate its proceedings as they think fit.

The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two, one of whom is a Foundation director. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

The Directors may elect from their number a Chair and a Deputy Chair (or two or more Deputy Chairs) and decide the period for which each is to hold office.

Questions arising at any meeting of the Directors shall be determined by a majority of votes. In the case of an equality of votes, the chair of the meeting shall have a second or casting vote.

**5.3.9 Directors' interests**

For the purposes of section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.

Any such authorisation will be effective only if:

- (a) the matter in question was proposed in writing for consideration at a meeting of the Directors, in accordance with the Board of Director's normal procedures or in such other manner as the Directors may resolve;
- (b) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and
- (c) the matter was agreed to without such interested directors voting or would have been agreed to if their votes had not been counted.

The Directors may extend any such authorisation to any actual or potential conflict of interest which may arise out of the matter so authorised and may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they expressly impose, but such authorisation is otherwise given to the fullest extent permitted. The Directors may also terminate any such authorisation at any time.

#### 5.3.10 **Restrictions on voting**

Except as provided below or otherwise permitted in the Articles, a Director may not vote on any resolution in respect of any contract, arrangement or any other proposal in which he, or a person connected to him, is interested. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.

Subject to the provisions of the Companies Act 2006, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal (*inter alia*):

- (a) in which he has an interest, of which he is not aware, or which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) in which he has an interest only by virtue of interests in the Company's shares, debentures or other securities or otherwise in or through the Company;
- (c) which involves the giving of any security, guarantee or indemnity to the Director or any other person in respect of obligations incurred by him and guaranteed by the Company (or vice versa);
- (d) concerning an offer of securities by the Company or any of the Company's subsidiary undertakings in which he is or may be entitled to participate as a holder of securities or as an underwriter or sub-underwriter;
- (e) concerning any other body corporate, provided that he and any connected persons do not own or have a beneficial interest in one **per cent.** or more of any class of share capital of such body corporate, or of the voting rights available to the members of such body corporate;
- (f) relating to an arrangement for the benefit of employees or former employees which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
- (g) concerning the purchase or maintenance of insurance for any liability for the benefit of Directors;
- (h) concerning the giving of indemnities in favour of the Directors; or
- (i) concerning the funding of expenditure by any Director or Directors (i) on defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief, (iii) on defending him or them in any regulator investigations, or (iv) incurred doing anything to enable him to avoid incurring such expenditure.

#### 5.3.11 **Confidential information**

If a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required to disclose such information to the Company or otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director, provided that such an actual or potential conflict of interest arises from a permitted or authorised interest under the Articles. This is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing the information, in circumstances where disclosure may otherwise be required under the Articles.

#### 5.3.12 **Borrowing powers**

Subject to the provisions of the Companies Act 2006, the Directors may exercise all of the Company's powers to borrow money, mortgage or charge all or any part or parts of the Company's undertaking, property and uncalled capital, and issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### 5.3.13 **Powers of the directors**

The Directors may delegate any of their powers or discretions, including those involving the payment of remuneration or the conferring of any other benefit to the Directors, to such person or committee and in such manner as they think fit. Any such person or committee shall, unless the Directors otherwise resolve, have the power to sub-delegate any of the powers or discretions delegated to them. The Directors may make regulations in relation to the proceedings of committees or sub-committees.

The Directors may establish any local boards or appoint managers or agents to manage any of the Company's affairs, either in the UK or elsewhere, and may:

- (a) appoint persons to be members or agents or managers of such local board and fix their remuneration;
- (b) delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with the power to sub-delegate;
- (c) remove any person so appointed, and may annul or vary any such delegation; and
- (d) authorise the members of any local boards, or any of them, to fill any vacancies on such boards, and to act notwithstanding vacancies.

The Directors may appoint any person or fluctuating body of persons to be the Company's attorney with such purposes and with such powers, authorities and discretions and for such periods and subject to such conditions as they may think fit.

Any Director may at any time appoint any person (including another Director) to be his alternate Director and may at any time terminate such appointment.

#### 5.3.14 **Directors' liabilities**

So far as may be permitted by the Companies Act 2006, every Director, former director or secretary of the Company or of an Associated Company (as defined in Section 256 of the Companies Act 2006) shall be indemnified by the Company out of its own funds against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust by him or any other liability incurred by him in the execution of his duties, the exercise of his powers or otherwise in connection with his duties, powers or offices.

The Directors may also purchase and maintain insurance for or for the benefit of:

- (a) any person who is or was a Director or secretary of a Relevant Company (as defined in the Articles); or
- (b) any person who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested,

including insurance against any liability (including all related costs, charges, losses and expenses) incurred by or attaching to him in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.

So far as may be permitted by the Companies Act 2006, the Company may provide a Relevant Officer (as defined in the Articles) with defence costs in relation to any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company, or in relation to an application for relief under Section 205(5) of the Companies Act 2006. The Company may do anything to enable such Relevant Officer to avoid incurring such expenditure.

#### **5.4 Dividends**

The Company may, by ordinary resolution, declare final dividends to be paid to the Company's shareholders. However, no dividend shall be declared unless it has been recommended by the Directors and does not exceed the amount recommended by the Directors.

If the Directors believe that the Company's profits justify such payment, they may pay dividends on any class of share where the dividend is payable on fixed dates. They may also pay interim dividends on shares of any class in amounts and on dates and periods as they think fit. Provided the Directors act in good faith, they shall not incur any liability to the holders of any shares for any loss they may suffer by the payment of dividends on any other class of shares having rights ranking equally with or behind those shares.

Unless the share rights otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, and apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any unclaimed dividends may be invested or otherwise applied for the Company's benefit until they are claimed. Any dividend unclaimed for 12 years from the date on which it was declared or became due for payment shall be forfeited and shall revert to the Company.

The Directors may, if authorised by ordinary resolution, offer to ordinary shareholders the right to elect to receive, in lieu of a dividend, an allotment of new ordinary shares credited as fully paid.

#### **5.5 Failure to supply an address**

A shareholder who has no registered address within the UK and has not supplied the Company with an address within the UK for the service of notices will not be entitled to receive notices from the Company.

#### **5.6 Disclosure of shareholding ownership**

The Disclosure Guidance and Transparency Rules require a member to notify the Company if the voting rights held by such member (including by way of certain financial instruments) reach, exceed or fall below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. Under the Disclosure Guidance and Transparency Rules, certain voting rights in the Company may be disregarded.

#### **5.7 Changes in capital**

The provisions of the Articles governing the conditions under which the Company may alter its share capital are no more stringent than the conditions imposed by the Companies Act 2006.

## 6 Directors and Senior Management

- 6.1** The Directors and members of Senior Management, their functions within the Company and brief biographies are set out in Part IX: “*Directors, Senior Management and Corporate Governance*”.
- 6.2** The business address of each of the Directors is 194 Cambridge Science Park, Milton Road, Cambridge, CB4 0AB, United Kingdom.

The companies and partnerships of which the Directors and members of Senior Management are, or have been, within the past five years, members of the administrative, management or supervisory bodies or partners (excluding the Group and the subsidiaries of the companies listed below) are as follows:

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Former directorships/partnerships</b>
Martin Hellawell	Gamma Communications PLC MusicMagpie	Softcat PLC Team17 PLC
Dr Eben Upton CBE	N/A	Cambridge Sustainability Leadership Ltd
Richard Boulton	Kingston Upon Thames United Charities The Thames Riverboat Project Limited	Time Out Group plc Dovetail Games Limited
Sherry Coutu CBE	Pearson PLC	London Stock Exchange Group plc RM plc Interactive Investor International plc Zoopla plc Workfinder Ltd SVC2U Ltd ZPG Ltd Cambridge Assessment Cambridge University Finance Committee Cambridge University Press
David Gammon	Wild Hydrogen Limited Suffolk Sur Mer Limited IQ Capital Limited Rockspring Advisory Services Limited Rockspring Nominees Limited Rockspring	Accesso Technologies plc Frontier Developments plc Funderbeam Limited Marshall of Cambridge Holdings Ltd mOm Incubators Limited Mitt Wearables Limited Thought Machine Limited
Rachel Izzard	Co-operative Group Ltd.	N Brown Plc JD Williams Group Ltd

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Former directorships/partnerships</b>
Christopher Mairs CBE	FFC Land LLP Glenaros LLP Phoelex Ltd GTN Ltd Techstars London 2013 LLP	Aer Lingus Group DAC Ecoforestry LLP Procedural Limited Feedpack Delivery Application Ltd Student Reading Lists Limited Bloomsbury Quantitative Investments LLP Kheiron Medical Technologies Ltd Nodes & Links Limited Metomic Ltd Raspberry Pi Foundation Fabricnano Limited Proportunity Ltd Octagon I/O Ltd Spontly Ltd Indigo & Limited Cloudnc Ltd Harbour Funerals Limited Metaswitch Networks Ltd Akoova Ltd Seedcamp Investments II LLP Entrepreneur First Investment Manager LLP Thomas Pocklington Trust Magic Pony Technology Limited Code Club World
Daniel Labbad	The Hornery Institute	Ark Schools
James Adams	N/A	N/A
Mike Buffham	N/A	N/A
Dr Gordon Hollingworth	N/A	N/A
Carol Copland	Lumos Foundation Berkhamsted Schools Group	

Save as set out above, none of the Directors, any member of the Senior Management or the Company Secretary has any business interests, or performs any activities, outside the Group which are significant with respect to the Group.

**6.3** There are no family relationships between any Directors.

- 6.4** As at the date of this Prospectus, none of the Directors nor any member of Senior Management has, at any time within the last five years:
- 6.4.1 had any convictions in relation to fraudulent offences;
  - 6.4.2 been declared bankrupt or been the subject of any individual voluntary arrangement;
  - 6.4.3 been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager;
  - 6.4.4 been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies);
  - 6.4.5 been disqualified by a court from acting in the management or conduct of the affairs of any issuer;
  - 6.4.6 been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer;
  - 6.4.7 been a partner or senior manager in a partnership which, while they were a partner or within 12 months of their ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;
  - 6.4.8 owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where they were a partner at the time or within the 12 months preceding such event; or
  - 6.4.9 been an executive director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which they were an executive director or senior manager of that company or within 12 months of their ceasing to be an executive director or senior manager.
- 6.5** The aggregate remuneration paid and benefits in kind granted to the Directors and members of the Senior Management by the Existing Group during the financial year ended 31 December 2023 for services in all capacities was \$2.9 million.
- 6.6** The total amount set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits for the Directors and members of the Senior Management for the financial year ended 31 December 2023 was \$92,000.
- 6.7** Save as set out in paragraph 12 (*Underwriting and Selling Shareholders arrangements*), there are no restrictions agreed by any Director or member of the Senior Management on the disposal within a certain time of their holdings in the Company's securities.

## **7 Directors' service agreements, letters of appointment and other matters**

### **7.1 Dr Eben Upton CBE and Richard Boulton**

#### Terms of employment, base salary and annual bonus

- 7.1.1 Dr Eben Upton CBE will from Admission be employed as Chief Executive Officer under a service agreement with the Company, dated 2 June 2024. Richard Boulton will from Admission be employed as Chief Financial Officer under a service agreement with the Company, dated 2 June 2024. The terms of their service agreements from Admission are outlined below.



- 7.1.2 Dr Eben Upton CBE's basic salary will be £450,000 per annum and Richard Boulton's basic salary will be £350,000 per annum. The basic salaries of both Executive Directors will be reviewed annually by the Board of Directors or the Remuneration Committee with no obligation to increase the salary following such review. Both of their service agreements provide for participation in a long and/or short-term incentive scheme.
- 7.1.3 Each of Dr Eben Upton CBE and Richard Boulton's service agreements is terminable by either party on 12 months' written notice. The Company is also entitled to terminate either service agreement with immediate effect by making a payment (which may be made in instalments) of his basic salary alone in lieu of notice that would have been payable during the notice period (less income tax and national insurance contributions).

#### Pension and other benefits

- 7.1.4 The Executive Directors are entitled to a pension contribution of 8 per cent. of basic salary or equivalent cash amount from the Company.
- 7.1.5 The Company also provides Dr Eben Upton CBE and Richard Boulton with income protection insurance, life assurance, and cover under the directors' and officers' liability insurance.
- 7.1.6 The Executive Directors are entitled to be reimbursed for reasonable expenses incurred during the course of their appointment.

#### Post-termination undertakings

- 7.1.7 Dr Eben Upton CBE and Richard Boulton are subject to a non-competition covenant for a period of six months after termination of employment or commencement of garden leave (if applicable). They are also each subject to non-solicitation, non-dealing, and non-hiring restrictive covenants for a period of 12 months.

### **7.2 Non-Executive Directors— Letters of Appointment**

The Company has appointed 6 Non-Executive Directors as set out in Part IX: "*Directors, Senior Management and Corporate Governance*". The Non-Executive Directors are appointed by letters of appointment with the Company and do not have service agreements. The appointment of each of the Non-Executive Directors is for an initial term to last until the first annual general meeting of the Company in 2025. At the end of this initial term, each appointment may be renewed for a further term subject to satisfactory performance and re-election at future annual general meetings. The appointment of each of the Non-Executive Directors is terminable by either party on three months' written notice. From the date of Admission, the Chair will receive an annual fee of £221,000 and is entitled to reimbursement of reasonable travelling and other expenses incurred in performing his duties. From the date of Admission Non-Executive Directors will each receive an annual fee of £58,000 and are entitled to the reimbursement of reasonable travelling and other expenses incurred in performing their duties. Rachel Izzard, Christopher Mairs CBE, and Sherry Coutu CBE will each receive £13,000 per annum as a committee chair. Sherry Coutu CBE will receive £10,000 per annum as the Senior Independent Director. David Gammon will receive £13,000 per annum as the investor relations contact.

### **7.3 Directors' remuneration for the financial year ended 31 December 2023**

The total remuneration paid and benefits in kind granted to each of the Directors by the Existing Group during the financial year ended 31 December 2023 for services in all capacities is set out below:

<b>Name</b>	<b>Annual Salary/Fees (£)</b>	<b>Pension and benefits (£)</b>
Martin Hellawell .....	100,000	—
Dr Eben Upton CBE.....	521,986	31,910
Richard Boulton .....	454,000	7,988
Sherry Coutu CBE .....	55,000	—
David Gammon .....	60,000	—
Rachel Izzard.....	55,000	—
Christopher Mairs CBE.....	55,000	—
Daniel Labbad .....	32,083	—

#### **7.4 Overview of remuneration policy**

In advance of Admission, the Remuneration Committee undertook a detailed review of the Company's approach to executive remuneration. It has adopted a remuneration policy for Executive Directors that is designed to attract, retain and motivate talent, reward outperformance of the market, and deliver sustainable growth for our shareholders. The Remuneration Committee is mindful of the sector that the Company operates in and the need to operate remuneration arrangements that are competitive not just against UK listed peers but US and other international peers. The Remuneration Committee has applied the same principles in the design of the reward strategy for all colleagues that will apply across the business post-listing.

The Directors' remuneration policy will be included in its 2024 annual report and shareholders will be asked to vote on it at the 2025 AGM. The proposed remuneration policy is summarised below. In determining the proposed remuneration policy, the Remuneration Committee took into account the requirements of the UK Corporate Governance Code.

The Remuneration Committee also took into account market and investor best practice. However, the Company has elected to apply a higher dilution limit in its share plans "14 per cent. in 10 years" rather than the UK standard "10 per cent. in 10 years") to reflect that it competes for talent with US and international tech businesses where broad-based equity participation is common. As part of its reward strategy, the Company intends to make equity awards on a broad basis across the Company.

The Company's remuneration framework for Executive Directors and senior management is intended to combine base salary, pension contributions (or cash allowance), benefits, an annual bonus plan and long-term incentives.

In developing the proposed pay framework of the executive team and the broader workforce, the following principles were followed:

- (a) the framework should align with market practice among comparable companies (including the technology sector) in terms of pay structure and pay levels;
- (b) pay should be sufficient to attract, incentivise and retain key talent; and
- (c) for the Executive Directors, the broad intention is to aim for market median levels of base pay and upper quartile levels of performance-based pay to incentivise outperformance.

Consistent with the Company's pay philosophy, the Remuneration Committee has agreed the following post-Admission aspects of its remuneration policy for its Executive Directors:

#### 7.4.1 **Base salary**

The proposed base salaries with effect from Admission for Eben Upton (CEO) and Richard Boulton (CFO) are £450,000 and £350,000, respectively. It is intended that base salaries will normally be reviewed annually, taking account of Company and individual performance and the wider context of the pay and conditions of the wider workforce, as well as other relevant factors.

#### 7.4.2 **Pension and benefits**

It is proposed that pension opportunity (pension contribution or equivalent cash allowance) for Executive Directors will be in line with the pension opportunity for the majority of the wider workforce. It is proposed that Executive Directors will be eligible for a range of benefits, which may include, but is not limited to, private medical expenses, health insurance, life assurance, income protection.

#### 7.4.3 **Annual bonus**

Executive Directors are eligible to participate in a discretionary annual bonus plan. It is intended that the maximum opportunity in respect of a financial year for Executive Directors will be equal to 150 per cent. of base salary. The bonus is designed to reward the achievement of stretching performance conditions which may include corporate financial measures, corporate non-financial measures and personal performance measures. While the weightings of performance metrics will continue to be reviewed and may be varied for future years, for the 2024 financial year, the bonus for Executive Directors will be based on the following metrics:

	<b>Weighting</b>
Adjusted operating profit .....	70 per cent.
SBC and compute module unit sales .....	20 per cent.
ESG scorecard .....	10 per cent.

It is intended that 33 per cent. of any annual bonus earned will be deferred into Shares for a period of three years. Further information on the bonus deferral is set out in paragraph 7.6.

The Remuneration Committee will provide appropriate levels of disclosure on a retrospective basis of the measures and targets used in the bonus in the Directors' Remuneration Report. Due to concerns regarding commercial sensitivity and consistent with general market practice, it is expected that the targets will not be disclosed prospectively. The Remuneration Committee will retain overriding discretion to adjust any formulaic vesting including if it considers that it does not reflect the underlying financial or non-financial performance of the business, the performance of the participant, or is inappropriate in the context of circumstances that were unexpected or unforeseen at the grant date.

#### 7.4.4 **Long-Term Incentive Plan**

The Company will operate a discretionary LTIP post-listing, under which performance-based awards and time-based restricted stock awards can be made. The types of awards granted to the Executive Directors will be consistent with the Directors' remuneration policy approved by shareholders from time to time. It is intended that the maximum opportunity pursuant to the LTIP

in respect of a normal financial year for the CEO and CFO will be equal to 200 per cent. of the relevant base salary. Further information on the terms of the LTIP is set out in paragraph 7.5.

The vesting of performance-based long-term awards will be subject to the achievement of performance conditions. The measurement period for the performance conditions for awards will normally be a period of three financial years. Twenty-five per cent. of the award will vest for threshold performance. A holding period of two years will apply for executive directors.

It is currently proposed that the first LTIP awards will be granted in 2025 to the Executive Directors and senior management (in the form of performance-based awards), and wider participants (in the form of time-based awards).

#### **7.4.5 Share ownership guidelines**

With effect from Admission, the Company will operate share ownership guidelines. It is intended that Executive Directors will be expected to build or maintain (as relevant) a shareholding in the Company equivalent in value to 200 per cent. of their annual base salary. Executive Directors will also be subject to post-employment share ownership guidelines.

#### **7.4.6 Non-Executive Director remuneration policy**

Fees for Non-Executive Directors shall be set to enable the Company to attract and retain experienced, skilled Non-Executive Directors that can advise and support the Executive Directors.

The Company's Non-Executive Director fee policy is to pay a basic fee for membership of the Board, and additional fees for the SID and chairing of a Board Committee, to take into account the additional responsibilities and time commitment of these roles. Reasonable expenses and other benefits may also be provided. Additional fees may also be provided where additional duties are required to be performed by any Non-Executive Director.

The appointments of each of the Non-Executive Directors are for an initial term of three years from the date of appointment or, if later, the date of the appointment letter referred to above, unless terminated earlier by either party on one month's notice. The appointment of each Non-Executive Director is also subject to re-election when appropriate by the Company in general meeting.

#### **7.4.7 Admission Awards**

Subject to approval of the Long-Term Incentive Plan at a meeting of the Board which is expected to take place prior to Admission, one-off awards of Market Value Options (as defined below) will be made to certain employees on or shortly prior to Admission (the "Admission Awards"). The Admission Awards will be granted under the Long-Term Incentive Plan, the terms of which are summarised in paragraph 7.5. The Admission Awards will vest after three years and will be exercisable until the 10th anniversary of grant, subject to the terms of the Long-Term Incentive Plan. In aggregate, the Admission Awards will be granted over up to 11,561,566 Shares. The Admission Awards shall not account for more than 6 per cent. of the issued ordinary share capital of the Company. The CEO will receive an award over 529,512 Shares and the CFO will receive an award over 540,267 Shares.

### **7.5 Key terms of the Long-Term Incentive Plan**

#### **7.5.1 Operation**

The LTIP will be administered by the Board or by a duly authorised committee of it and references in this summary to the “Board” should be read accordingly. Decisions in relation to any participation in the LTIP by any Executive Director of the Company or other persons in respect of whom the Company’s Remuneration Committee is required to determine remuneration will always be taken by the Remuneration Committee.

#### **7.5.2 Eligibility**

All employees (including Executive Directors of the Company) of the Company are eligible to participate in the LTIP at the discretion of the Board.

#### **7.5.3 Grant of Awards**

Awards will be granted under the LTIP in respect of Shares and may take the form of (i) a conditional award of Shares (a “Conditional Award”); (ii) a nil/ nominal cost option to acquire Shares (a “Nil-Cost Option”); (iii) an option to acquire Shares for a per Share exercise price equal to the market value of a Share when the option is granted (a “Market Value Option”); (iv) a cash based award relating to a number of notional Shares; or (v) an economic equivalent. Market Value Options may include tax-qualifying “CSOP Options” and the terms of the LTIP described in this summary will apply to any CSOP Option to the extent permitted by the applicable tax legislation and HMRC practice.

All awards may be settled in cash at the discretion of the Board. Nil-Cost Options and Market Value Options may be exercised from the date on which they first become exercisable until the tenth anniversary of grant, or over a shorter period as determined by the Board.

Awards will normally only be granted within 42 days beginning on: (a) the date on which the LTIP is adopted; (b) Admission; (c) the dealing day after announcement of the Company’s results for any period; (d) the approval of a Directors’ remuneration policy; and (e) the adoption of amendments to the rules of the LTIP. However, awards may be granted at other times where exceptional circumstances are deemed to exist.

No awards can be granted more than ten years after Admission.

#### **7.5.4 Vesting conditions**

Vesting of awards will normally be subject to continued employment in the Group. The Board may determine whether all or a portion of any award will be subject to satisfaction of a performance condition, including the application of performance underpins where appropriate (e.g. underpins may be applied to ‘time-vested’ awards).

While the Company has a Directors’ remuneration policy in place which has been approved by shareholders, the application of performance conditions to any awards granted to Executive Directors of the Company (including the period over which they are assessed) will be consistent with the Company’s Directors’ remuneration policy as approved by shareholders from time to time. Performance conditions may include targets based on financial, strategic, operational or return metrics.

The Admission Awards will be granted as Market Value Options and so will only deliver to participants any increase in the value of a share between grant and exercise. The Admission Awards will not be subject to further performance conditions.

Any performance condition may be amended or substituted in accordance with its terms or if the Board considers that an amended or substituted performance condition would be more appropriate and would not be materially less difficult to satisfy than when it was originally set.

The Board may adjust any formulaic vesting outcome including if it considers that it does not reflect the underlying financial or non-financial performance of the business, the performance of the participant, or is inappropriate in the context of circumstances that were unexpected or unforeseen at the grant date.

#### **7.5.5 Individual limit on award size**

Individual award levels will be determined based on role scope and seniority. Award levels will be reviewed annually prior to the grant date. No participant may be granted an award in respect of a financial year over Shares with a market value (as determined by the Board) in excess of 300 per cent. of salary. The Admission Awards are not subject to (and do not count towards) this limit. Awards may be granted under the LTIP in connection with the recruitment of an employee (including to buy-out remuneration forfeited upon leaving a previous employment or engagement); these Recruitment Awards will not be subject to (and do not count towards) this limit.

#### **7.5.6 Overall plan limit**

In any ten-year period, not more than 14 per cent. of the issued ordinary share capital of the Company may be issued or be issuable under the LTIP and all other employees' share plans operated by the Company after Admission. Shares subject to the Admission Awards and to any awards granted before Admission do not count towards this limit.

Treasury Shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

#### **7.5.7 Dividends**

The Board may provide additional cash or Shares to participants based on the value of dividends paid on Shares in respect of which a Conditional Award or Nil-Cost Option vests over such period as the Board determines ending no later than the date on which the award vests (or, if it is subject to a holding period as described below, is released). The Board will determine the basis on which this additional amount will be calculated, which may assume the reinvestment of the relevant dividends into Shares. These dividend equivalents will not be capable of application to any Market Value Option.

#### **7.5.8 Vesting of awards and holding period**

Awards subject to performance conditions will vest to the extent that any applicable conditions have been met. Normally performance would be assessed over a performance period of at least three years.

Awards granted without performance conditions, but subject to time-based conditions or performance underpins, will normally vest over a three-year period, or such other period determined by the Board. Vesting may be cliff-vesting at the end of the vesting period, or pro-rata across the period.

Vesting can be delayed if a participant is subject to any disciplinary action.

The rules will permit the application of a post-vesting holding period. This is intended to apply to awards granted to Executive Directors and may also apply to awards granted to other participants. Vested shares will only be “released” to the participant at the end of the holding period. While the Company has a Directors’ remuneration policy in place which has been approved by shareholders, the length of the holding period for the Executive Directors’ awards will be consistent with the Company’s Directors’ remuneration policy as approved by shareholders from time to time.

For the Admission Awards, which will be granted as Market Value Options, vesting will be at the end of three years, and no post-vesting holding period will be applied.

#### **7.5.9 Malus and clawback**

Awards may be subject to malus and/or clawback provisions in certain circumstances including: (a) a material misstatement of financial results; (b) an error in assessing a performance condition or in the assumptions on which an award is granted, vests, or is released; (c) a material failure of risk management; (d) serious reputational damage; (e) gross misconduct, fraud or material error; (f) material corporate failure; or (g) any other circumstances that the Board considers to be similar in their nature or effect.

To give effect to the malus and clawback provisions, the Board may:

- (a) prior to vesting reduce the number of Shares to which an award relates (including to nil) and/or impose further conditions on an award (malus); or
- (b) in respect of a vested award require the participant to repay to the Company (either in cash or Shares) some or all of the Shares or cash delivered pursuant to the award (clawback).

Awards will normally be subject to malus/clawback until the fifth anniversary of the grant date.

#### **7.5.10 Leaving employment**

##### *Leaving before vesting*

An unvested award will normally lapse if the participant leaves employment with the Group. However, if the participant leaves because of disability, ill-health, injury, sale of their employer out of the Group or any other reason at the absolute discretion of the Board, their awards will generally continue and remain capable of vesting as described below. Alternatively, on a sale of employer, participants may be allowed or required to exchange their awards for new awards over shares (and/or other securities) in the purchasing company.

If a participant dies, awards will usually vest immediately.

Where an award continues, it will ordinarily vest at the normal time subject to the satisfaction of the original performance conditions or underpins and with the number of shares in respect of which it vests reduced on a pro rata basis, based on the proportion of the performance or vesting period elapsed. Any holding period will ordinarily continue to apply. The Board will have discretion to vest the award early (and to assess any performance condition (or underpin) accordingly), to vary or waive the pro-rata reduction and to disapply any holding period that would otherwise have applied.

##### *Leaving during the holding period*

If a participant leaves employment with the Group while holding an award which is in a holding period, that award will normally be retained other than in cases of gross misconduct where the



award will lapse. The holding period will ordinarily continue to apply, but the Board will have discretion to disapply the holding period.

#### **7.5.11 Takeovers and other corporate events**

Awards will generally vest and be released early on a takeover. Awards will vest taking into account the extent to which any performance condition has been satisfied and unless the Board determines otherwise, the proportion of the performance or vesting period that has elapsed at the date of the relevant event.

Alternatively, the Board may permit participants to exchange awards for equivalent awards which relate to shares (and/or other securities) in a different company. If the change of control is an internal reorganisation or if the Board so decides, participants will ordinarily be required to exchange their awards (rather than the awards vesting).

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares, the Board may determine that awards may vest taking into account the satisfaction of any relevant performance conditions and, unless the Board determines otherwise, the proportion of the performance or vesting period that has elapsed at the date of the relevant event.

#### **7.5.12 Rights issues, demergers etc**

The number of shares subject to an award and any performance condition (and, where relevant, the exercise price) may be adjusted to reflect a special dividend or distribution, demerger, any variation in the share capital of the Company (including a rights issue) or any other corporate event which might affect the value of any award.

#### **7.5.13 General**

Awards are not transferable (except to personal representatives on death) and are not pensionable. Participants do not pay for the grant of an award. Awards may be settled with new issue, treasury or market purchase shares. Any shares issued to satisfy awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

#### **7.5.14 Amendments**

Shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, plan limits, the rights attaching to awards and shares, the adjustment of awards on variation in the Company's share capital (including rights issues and open offers) and the amendment powers.

The Board can, without shareholder approval, make minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. The Board may also, without shareholder approval, establish further plans based on the LTIP, but modified to take account of overseas securities laws, exchange controls or tax law. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the LTIP.

#### **7.5.15 Governing law**

The LTIP will be governed by the laws of England.

## **7.6 Key terms of the Deferred Bonus Plan (the “DBP”)**

7.6.1 The DBP will be administered by the Board or by a duly authorised committee of it and references in this summary to the “Board” should be read accordingly. Decisions in relation to any participation in the DBP by any Executive Director of the Company or other persons in respect of whom the Company’s Remuneration Committee is required to determine remuneration will always be taken by the Remuneration Committee

### **7.6.2 Eligibility**

All current and former employees (including Executive Directors of the Company) of the Company are eligible to participate in the DBP. However, it is currently anticipated that only the Executive Directors will have deferral applied to their annual bonus (and therefore participate in the DBP).

### **7.6.3 Grant of awards**

The DBP will be used to deliver the deferred portion of an employee’s bonus. The proportion of deferral applied to Executive Directors’ bonuses will be in line with the Directors’ remuneration policy as approved by shareholders from time to time.

Awards under the DBP will be granted in respect of Shares and may take the form of: (i) a conditional award of Shares; (ii) a nil/nominal cost option to acquire Shares; (iii) a cash-based award relating to a number of notional Shares; or (iv) an economic equivalent.

All awards may be settled in cash at the discretion of the Board. Options may be exercised from the date on which they first become exercisable until the tenth anniversary of grant, or over a shorter period as determined by the Board.

Awards will normally only be granted within 42 days of: (i) Admission; (ii) the dealing day after the announcement of the Company’s results for any period; (iii) the approval of a Directors’ remuneration policy; (iv) the determination of the amount of bonus earned; (v) the adoption of amendments to the DBP. However, awards may be granted at other times where exceptional circumstances are deemed to exist.

It is anticipated that the first awards under the DBP will be made in relation to the annual bonus payable in respect of the Company’s first financial year ending post-Admission, with further awards usually made on an ongoing annual basis, subject to the relevant bonus outcome. No awards under the DBP can be granted more than ten years after admission.

### **7.6.4 Vesting conditions**

The vesting period will be determined by the Board at the grant date but will normally be set at three years. Awards may vest in tranches if the Board so determines. Vesting can be delayed if a participant is subject to any disciplinary action.

### **7.6.5 Award limits**

The number of Shares subject to an award will have a value (as determined by the Board) equal to the deferred bonus.

In any ten-year period, not more than 14 per cent. of the issued ordinary share capital of the Company may be issued or be issuable under the DBP and all other employees’ share plans operated by the Company after Admission. Shares subject to the Admission Awards and to any awards granted before Admission do not count towards this limit. Treasury Shares will be treated

as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

#### **7.6.6 Dividend equivalents**

The Board may provide additional cash or Shares to participants based on the value of dividends paid on Shares in respect of which their award vests over such period as the Board determines ending no later than the date on which the award vests. The Board will determine the basis on which this additional amount will be calculated, which may assume the reinvestment of the relevant dividends into additional Shares.

#### **7.6.7 Malus and Clawback**

Awards may be subject to malus and/or clawback provisions in certain circumstances including: (a) a material misstatement of financial results; (b) an error in assessing relevant bonus outturn or in the assumptions on which an award is granted or vests; (c) a material failure of risk management; (d) serious reputational damage; (e) gross misconduct, fraud, or material error; (f) material corporate failure; or (g) any other circumstances that the Board considers to be similar in their nature or effect.

To give effect to the malus and clawback provisions, the Board may:

- (a) prior to vesting reduce the number of Shares to which an award relates (including to nil) and/or impose further conditions on an award (malus); or
- (b) in respect of a vested award require the participant to repay to the Company (either in cash or Shares) some or all of the Shares or cash delivered to them under the award (clawback).

Awards will normally be subject to malus/clawback until the third anniversary of the grant date.

#### **7.6.8 Leaving employment**

An unvested award will normally lapse if the participant leaves employment with the Group. However, if the participant leaves because of disability, ill-health, injury, sale of their employer out of the Group or any other reason at the absolute discretion of the Board, their award will generally continue and remain capable of vesting as described below. Alternatively, on a sale of employer, participants may be allowed or required to exchange their awards for awards over shares (and/or other securities) in the purchasing company in whole or in part. If a participant dies, awards will usually vest immediately.

Where an award continues, it will ordinarily vest at the normal time. An award will vest in full unless the Board reduces the extent of vesting to take account of the proportion of the deferral period that had elapsed at the date of cessation. The Board will have discretion to vest the award early.

#### **7.6.9 Takeovers and other corporate events**

Awards will generally vest early on a takeover or other similar significant corporate event. Where an award vests in these circumstances, it will vest in full, unless the Board reduces the extent of vesting to take account of the proportion of the deferral period that has elapsed.

Alternatively, the Board may permit participants to exchange awards for equivalent awards which relate to shares (and/or other securities) in a different company. If the change of control is an internal reorganisation of the Group or if the Board so decides, participants will ordinarily be required to exchange their awards (rather than awards vesting).

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares, the Board may determine that awards may vest to the extent determined by the Board.

#### 7.6.10 **Rights issues, demergers etc.**

The number of shares subject to an award may be adjusted to reflect a special dividend or distribution, demerger, any variation in the share capital of the Company (including a rights issue) or any other corporate event which might affect the value of any award.

#### 7.6.11 **General**

Awards are not transferable (except to personal representatives on death or with the prior consent of the Directors) and are not pensionable. Participants do not pay for the grant of an award. Awards may be settled with new issue, treasury or market purchase shares. Any shares issued to satisfy awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

#### 7.6.12 **Amendments**

Shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, plan limits, the rights attaching to awards and shares, the adjustment of awards on variation in the Company's share capital (including rights issues and open offers) and the amendment powers.

The Board can, without shareholder approval, make minor amendments to benefit the administration of the DBP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. The Board may also, without shareholder approval, establish further plans based on the DBP, but modified to take account of overseas securities laws, exchange controls or tax law. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the DBP.

#### 7.6.13 **Governing law**

The DBP will be governed in accordance with the laws of England.

## 8 **Interests of the Directors and Senior Management**

The tables below set out the interests of the Directors and Senior Management in the share capital of the Company (all of which, unless otherwise stated, are beneficial and include the interest of persons connected with them) following the Pre-IPO Reorganisation and immediately prior to Admission and immediately following Admission.

	Following Pre-IPO Reorganisation and immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
<b>Name of Director</b>				

	Following Pre-IPO Reorganisation and immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Dr Eben Upton CBE <sup>(1)</sup> .....	3,626,728	1.99	3,626,728	1.88
Richard Boulton .....	575,602	0.32	575,602	0.30
Martin Hellawell .....	75,751	0.04	75,751	0.04
Rachel Izzard .....	21,851	0.01	21,851	0.01
David Gammon <sup>(2)</sup> .....	151,502	0.08	151,502	0.08
Sherry Coutu .....	—	—	365	—
Christopher Mairs .....	—	—	365	—
Daniel Labbad .....	—	—	365	—

Notes:

- (1) Includes Shares held by Elizabeth Upton, who is a connected person.  
(2) Includes Shares held by Sarah Gammon, who is a connected person.

	Immediately prior to Admission		Immediately following Admission	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
<b>Name of Senior Manager</b>				
Dr Gordon Hollingworth .....	1,451,184	0.80	1,451,184	0.75
James Adams .....	1,451,184	0.80	1,451,184	0.75
Mike Buffham .....	725,592	0.40	544,194	0.28
Carol Copland .....	—	—	365	—

**8.1** The interests of the Directors and members of Senior Management together are expected to represent 4.43 per cent. of the issued share capital of the Company immediately prior to Admission and are expected to represent approximately 4.08 per cent. of the issued share capital of the Company immediately following Admission (assuming no exercise of the Over-allotment Option) not taking account of the potential purchase of Shares by any Director or member of Senior Management as part of the Global Offer or any share awards to be made on or shortly following Admission pursuant to the Company's employee share plans.

**8.2** Save as set out in this paragraph 8, none of the Directors has any interests in the share or loan capital of the Company or any of its subsidiaries.

**8.3** Save as set out in this paragraph 8 and in paragraph 12, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Group and was effected by the Company in the current or immediately preceding financial year or was effected during an earlier financial year and remains in any respect outstanding or unperformed.

**8.4** As of the Reference Date, there were no outstanding loans granted by any member of the Group to any Director or any member of Senior Management, nor by any Director or member of Senior Management to any member of the Group, nor was any guarantee which had been provided by any member of the Group for the benefit of any Director or member of Senior Management, or by any Director or member of Senior Management for the benefit of any member of the Group, outstanding.

## 9 Interests of significant Shareholders

Other than any interest that may arise under the Underwriting Agreement, in so far as is known to the Company as of the date of this Prospectus, the following persons will immediately prior to Admission and immediately following Admission be interested in 3 per cent. or more of the issued share capital of the Company:

	Following the Pre-IPO Reorganisation and immediately prior to Admission <sup>(1)</sup>		Immediately following Admission	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
<b>Shareholders</b>				
Raspberry Pi Foundation <sup>(2)(3)</sup> .....	140,854,692	77.31	94,919,627	49.08
Lansdowne Developed Markets Master Fund Limited <sup>(4)</sup> .....	8,036,894	4.41	13,136,894	6.79
Ezrah Charitable Trust .....	6,430,098	3.53	6,430,098	3.32
Sony Semiconductor Solutions Corporation	3,213,592	1.76	3,213,592	1.66
Arm Technology Investments 2 Limited <sup>(4)</sup> .....	6,427,185	3.53	16,252,185	8.40
Employee Benefit Trust <sup>(5)</sup> .....	9,870,880	5.42	7,745,765	4.00

Notes:

- (1) The interests in Shares immediately prior to Admission have been stated on the basis that the Pre-IPO Reorganisation has been completed.
- (2) Assumes no exercise of the Over-allotment Option.
- (3) Raspberry Pi Foundation holds its shares in the Company through its wholly owned subsidiary, the Principal Shareholder.
- (4) Figure immediately following Admission includes Shares purchased pursuant to a cornerstone investment agreement entered into on 21 May 2024 with the Company and the Principal Shareholder. For further details, see Part XVI: “*Details of the Global Offer—Cornerstone Investors*”.
- (5) Zedra Trust Company (UK) Limited is the legal holder of shares in the Company as trustee of the Company’s EBT.

Save as disclosed above, the Company is not aware of any holdings of voting rights (within the meaning of Chapter 5 of the Disclosure and Transparency Rules) which will represent 3 per cent. or more of the total voting rights in respect of the issued share capital of the Company following Admission.

## **10 Employee share plans**

Employees of the Company are eligible to participate in the Company's discretionary share plans, the LTIP and the DBP. A description of the key terms of these employee share plans are set out at paragraphs 7.5 and 7.6.

## **11 Pensions**

The Group currently operates a pension scheme and contributes to social security and end-of-service benefit arrangements.

Through the operation of these pension schemes and the contributions noted above the Group currently meets its statutory obligations regarding pension schemes and end-of-service benefit arrangements.

The relevant arrangements are defined contribution in nature under which the Group pays fixed contributions. The Group has no legal or constructive obligations to pay further contributions if the relevant fund does not hold sufficient assets to pay all employees.

## **12 Underwriting and Selling Shareholders arrangements**

On 11 June 2024, the Company, the Directors, the Principal Shareholder, the Banks and Equiniti Financial Services Limited (acting as agent on behalf of certain Selling Shareholders pursuant to Deeds of Election entered into by or on behalf of those Selling Shareholders) entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement:

- 12.1** the Company has agreed, subject to certain conditions, to allot and issue, at the Offer Price, the New Shares to be issued in connection with the Global Offer;
- 12.2** the Principal Shareholder and Equiniti Financial Services Limited (acting as agent on behalf of certain Selling Shareholders pursuant to Deeds of Election entered into by or on behalf of those Selling Shareholders) has agreed, subject to certain conditions, to sell its Sale Shares in the Global Offer at the Offer Price;
- 12.3** the Banks have severally agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers and purchasers for (or subscribe or purchase themselves) the Offer Shares that are the subject of the Institutional Offer (in such proportions as will be set out in the Underwriting Agreement);
- 12.4** the Banks will deduct from the proceeds of the Global Offer to the Company a commission in respect of the New Shares allotted pursuant to the Global Offer and from the proceeds of the Global Offer to the Principal Shareholder and Equiniti Financial Services Limited (acting as agent on behalf of certain Selling Shareholders) a commission in respect of the Sale Shares sold in the Global Offer, as well as in respect of the sale of the Over-allotment Shares (if any);
- 12.5** the obligations of the Banks to use reasonable endeavours to procure subscribers and/or purchasers for (or, failing which, to subscribe for or purchase) the Offer Shares that are the subject of the Institutional Offer (as the case may be) on the terms of the Underwriting Agreement are subject to certain conditions. These conditions include the absence of any breach of representation or warranty under the Underwriting Agreement and Admission occurring on or before 8.00 a.m. (London time) on the date of Admission (or such later time and/or date as the Company and the Joint Bookrunners may agree in writing. In addition, the Joint Bookrunners have the right to terminate the Underwriting Agreement, exercisable in certain circumstances prior to Admission;
- 12.6** Jefferies International Limited, as Stabilising Manager, has been granted the Over-allotment Option by the Principal Shareholder pursuant to which the Stabilising Manager may purchase, or procure purchasers for, up to 10 per cent. of the total number of Sale Shares to be sold by the Principal



Shareholder in the Global Offer for the purposes of covering short positions arising from over-allocations, if any, in connection with the Global Offer, and/or any sales of Offer Shares made during the stabilisation period. Save as required by law or regulation, neither the Stabilising Manager, nor any of its agents, intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Global Offer. The number of Over-allotment Shares to be transferred pursuant to the Over-allotment Option, if any, will be determined not later than 11 July 2024. Settlement of any purchase of Over-allotment Shares will take place shortly after such determination (or, if acquired on Admission, at Admission). If any Over-allotment Shares are acquired pursuant to the Over-allotment Option, the Stabilising Manager (on behalf of the Banks) will be committed to pay to the Principal Shareholder, or procure that payment is made to it of, an amount equal to the Offer Price multiplied by the number of Over-allotment Shares purchased from the Principal Shareholder, less commissions;

- 12.7 the Selling Shareholders have agreed to pay any stamp duty and/or stamp duty reserve tax arising on the sale of Offer Shares;
- 12.8 to the extent permitted by law, the Company has agreed to pay the costs, charges, fees and expenses of the Global Offer (together with any related value added tax);
- 12.9 each of the Company, the Directors and the Principal Shareholder have given certain representations, warranties and undertakings, subject to certain limits, to the Banks;
- 12.10 the Company has given an indemnity to the Banks on customary terms;
- 12.11 the parties to the Underwriting Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the Global Offer in relevant jurisdictions; and
- 12.12 the Underwriting Agreement contains lock-up provisions described in more detail in paragraph 7 of Part XVI: “*Details of the Global Offer*”.

### 13 Subsidiaries, investments and principal establishments

The Company is the principal operating and holding company of the Group. The Company’s principal subsidiaries and subsidiary undertakings are as follows:

Name	Country of Incorporation	% of ownership interest
RPL	UK	100
Raspberry Pi (Trading) North America Inc.	USA	100
Raspberry Pi Ireland Limited	Ireland	100

### 14 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Prospectus or, in the case of the Underwriting Agreement is expected to be entered into prior to Admission, and are or may be material to the Company or another member of the Group; or (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus.

## 14.1 Underwriting Agreement

The Underwriting Agreement is referred to in paragraph 12 (*Underwriting and Selling Shareholders arrangements*) above.

## 14.2 Relationship Agreements

14.2.1 On 11 June 2024, the Company entered into the Foundation Relationship Agreement with the Foundation and the Principal Shareholder and the Ezra Relationship Agreement with Ezra (together with the Foundation and the Principal Shareholder, the “Controlling Shareholders”), the terms of which will come into force on Admission. The principal purpose of the Relationship Agreements is to ensure that the Company is capable at all times of carrying on its business independently of the Controlling Shareholders and their respective associates. The Relationship Agreements will stay in effect until the earlier of: (i) the Controlling Shareholders and any persons acting in concert with them ceasing to own in aggregate an interest in at least 10 per cent. of the Shares in the Company or (ii) the Shares cease to be listed on the premium segment of the Official List (save where the premium listing segment and standard listing segment are replaced by a single listing category pursuant to the proposed reforms of the Listing Rules by the FCA) and admitted to trading on the Main Market.

14.2.2 The Relationship Agreements includes provisions to ensure that the Group can do business independently of the Controlling Shareholders and their respective associates. The Relationship Agreements provides that each of the Controlling Shareholders and their associates shall, *inter alia*:

- (a) ensure that all transactions and relationships between each of the Controlling Shareholders and/or any of their associates and the Company or any member of the Group are conducted on arm’s length terms and on normal commercial terms;
- (b) not take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
- (c) ensure that neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

14.2.3 Under the Relationship Agreements, each of the Controlling Shareholders has agreed that it shall not, and shall procure that its respective associates shall not, take any action that would, or which would be reasonably likely to: (a) have the effect of preventing any member of the Group from carrying on its business independently of the Controlling Shareholders or any of their respective associates, and for the benefit of its shareholders as a whole; or (b) have the effect of prejudicing the Company’s listing on the Official List.

14.2.4 In addition, the Relationship Agreements provides that the Controlling Shareholders and their respective associates have each agreed that it will not exercise any of its voting or other rights and powers to procure any amendment to the Articles which would be inconsistent with, undermine or breach any provision of the Relationship Agreements.

14.2.5 The Foundation Relationship Agreement also provides that the Foundation and the Principal Shareholder:

- (a) have each agreed that it will abstain from voting, and shall procure that any representative of it on the Board of Directors abstains from voting, on any resolution to approve a related party transaction involving it, or its associates (or the related party); and

- (b) shall inform the Company at least three business days in advance of any disposal or transfer (or a series of connected disposals or transfers) of an interest in three per cent. or more of the Shares of the Company.

14.2.6 The Foundation Relationship Agreement further provides that for so long as the Principal Shareholder holds an interest that:

- (a) is equal to or greater than 25 per cent. of the Company's issued ordinary share capital, it shall be entitled (but not required) to nominate for appointment two Non-Executive Directors to the Board of Directors (and, for as long as two are not nominated, the Foundation may, subject to certain conditions, be entitled to appoint a Board of Directors observer); and
- (b) is less than 25 per cent. (but equal to or greater than 10 per cent. in aggregate) the Principal Shareholder shall be entitled (but not required) to nominate for appointment one Non-Executive Director to the Board of Directors.

14.2.7 The Board of Directors believes that the terms of the Relationship Agreements will enable the Company to carry on its business independently of the Controlling Shareholders and their respective associates, and ensure that all transactions and relationships between it and the Controlling Shareholders are, and will be, at arm's length and on a normal commercial basis.

### **14.3 Banking Facility**

14.3.1 On 24 April 2024, RPL amended and extended the Revolving Credit Facility with Barclays Bank plc as original lender, pursuant to which it is able to borrow up to \$40 million (or equivalent in optional currencies) (of which \$5 million is available as an overdraft facility) through to 24 April 2027. The Revolving Credit Facility may be extended to 24 April 2028 and again to 24 April 2029 with the consent of the lenders. The Revolving Credit Facility is used to fund the general corporate purposes of RPL and its subsidiaries. The Revolving Credit Facility has covenants requiring that RPL maintain an adjusted leverage (total debt to adjusted EBITDA as further adjusted for certain capitalised research and development costs) ratio not exceeding 2.5:1 prior to the Global Offer and 3:1 following the conclusion of the Global Offer, and an interest coverage ratio not less than 4:1. These covenants have not been breached. The interest rate on the Revolving Credit Facility is comprised of the margin plus either the compounded risk-free rates (secured overnight financing rate for U.S. dollar and sterling overnight index average for GBP) or euro interbank offered rate for euros. The opening margin applicable on the Revolving Credit Facility was 2.65 per cent per annum and the margin may ratchet up if the adjusted leverage (as set out in a compliance certificate) increases above 1.00.

14.3.2 The Revolving Credit Facility is secured by a fixed and floating charge dated 30 March 2024 (as supplemented by a supplemental fixed floating charge dated 24 April 2024) granted by RPL in favour of Barclays Bank plc as security agent. The security agreement includes a fixed charge over all of RPL's bank accounts, certain insurances, shares and investments and all of its intellectual property. It also includes a floating charge over all of its goodwill and call capital and all of its present and future undertaking and assets.

14.3.3 As of the Reference Date, we did not have any drawings under the Revolving Credit Facility.

### **14.4 Investment Agreements**

14.4.1 On 13 September 2021, RPL (then trading as Raspberry Pi (Trading) Limited) entered into an investment agreement with Ezrah (the "Ezrah Investment Agreement"), whereby Ezrah

subscribed for 4,414 ordinary shares in RPL representing 3.6 per cent. of the issued share capital of RPL at the time the Ezrah Investment Agreement was signed.

- 14.4.2 On 13 September 2021, RPL entered into an investment agreement with Lansdowne Developed Markets Master Fund Limited (“Lansdowne”) (the “Lansdowne Investment Agreement”) whereby Lansdowne subscribed for 5,517 ordinary shares in RPL representing 4.5 per cent. of the issued share capital of RPL at the time the Lansdowne Investment Agreement was signed.
- 14.4.3 On 28 March 2023, the Principal Shareholder entered into a share purchase agreement with Sony Semiconductor Solutions Corporation (“Sony”) (the “Sony Secondary Share Purchase Agreement”), whereby Sony purchased 1,103 ordinary shares in RPL from the Principal Shareholder. In addition, on 28 March 2023, RPL entered into an investment agreement with Sony (the “Sony Investment Agreement”), whereby Sony subscribed for 1,103 ordinary shares in RPL. At the time of completion of the Sony Secondary Share Purchase Agreement and the Sony Investment Agreement, Sony held 2,206 ordinary shares in RPL, representing approximately 1.7 per cent. of RPL’s issued share capital at the time the Sony Secondary Share Purchase Agreement and the Sony Investment Agreement were signed.
- 14.4.4 On 16 October 2023, the Principal Shareholder entered into a share purchase agreement with Arm (together with Ezrah, Lansdowne and Sony, the “Investors”) (the “Arm Secondary Share Purchase Agreement”), whereby Arm purchased 2,206 ordinary shares in RPL from the Principal Shareholder. In addition, on 17 October 2023, RPL entered into an investment agreement with Arm (the “Arm Investment Agreement”, and together with the Ezrah Investment Agreement, the Lansdowne Investment Agreement, the Sony Secondary Purchase Agreement and the Sony Investment Agreement, the “Investment Agreements”), whereby Arm subscribed for 2,206 ordinary shares in RPL. At the time of completion of the Arm Secondary Share Purchase Agreement and the Arm Investment Agreement, Arm held 4,412 ordinary shares in RPL representing approximately 3.4 per cent. of RPL’s issued share capital at the time the Arm Secondary Share Purchase Agreement and the Arm Investment Agreement were signed.
- 14.4.5 RPL undertook to apply the proceeds of the Investment Agreements in the furtherance of its product development, commercialisation strategies and general working capital. The Investment Agreements contain standard warranties provided by RPL together with limitations on those warranty claims. The limitation period is 18 months after the date of each Investment Agreement.
- 14.4.6 Pursuant to the Investment Agreements, the Investors have certain information rights and Mr. David Gammon was designated to act, on behalf of RPL’s board, as the investor relations contact.
- 14.4.7 Pursuant to the Investment Agreements, RPL has agreed with the Investors that it shall not, without their consent, transfer any trade marks which have been assigned to it under the trade mark assignment between RPL and the Foundation other than where such transfer is required in accordance with the trade mark licence or part of the sale of all or substantially all of RPL’s assets or part of a re-organisation.
- 14.4.8 The Investment Agreements will cease to have effect on an IPO, save that no parties are released from liability for prior breaches.
- 14.4.9 The Sony Secondary Share Purchase Agreement and the Arm Secondary Share Purchase Agreement each contains limited warranties provided by the Principal Shareholder.
- 14.4.10 The Investors are not expected to sell any of their Shares as part of the Global Offer. Arm and Lansdowne intend to purchase additional Shares in the Global Offer, as discussed in further detail in paragraph 4 (*Cornerstone Investors*) of Part XVI: “*Details of the Global Offer*”.

## 14.5 Trade Mark Assignment and Licence

- 14.5.1 On 3 September 2021 RPL entered into an agreement with the Foundation whereby the Foundation agreed to assign all of its rights, title and interests in and to the Raspberry Pi Trade Marks to RPL for a consideration of £100.
- 14.5.2 On 3 September 2021 (as amended on 21 February 2024) RPL entered into a deed with the Foundation to grant the Foundation a licence for it to continue using the Raspberry Pi Trade Marks (excluding trademarks related to Raspberry Pi Pico) (the “Trade Mark Licence”). Pursuant to the terms of the Trade Mark Licence, RPL is, subject to certain terms and conditions, required to continue to produce low-cost general purpose computers (at the time the Trade Mark Licence was signed, the Raspberry Pi 4 (2GB)) for educational purposes and to ensure they are generally available for purchase. These products must cost no more than the higher of (i) \$45 and (ii) the manufactured cost plus 20 per cent., plus in either case applicable local taxes, duties, shipping and export/import fees. If RPL breaches this obligation for reasons that are within its reasonable control, fails to remedy the breach, and fails to resolve the breach through a good faith discussion between it and the Foundation, then it is obligated to assign ownership of the Raspberry Pi Trade Marks to the Foundation. The Trade Mark Licence shall remain in effect unless terminated pursuant to these terms. On termination, RPL must immediately cease using the Raspberry Pi Trade Marks, although it may still sell all remaining stock (including stock in the process of being manufactured) at the point of termination.

## 14.6 Licensee Agreement

- 14.6.1 On 25 October 2023, RPL amended and restated its licence agreement with Premier Farnell, pursuant to which RPL retained and re-appointed Premier Farnell as its licensee which will manufacture (or arrange for the manufacture) and distribute certain Raspberry Pi products (the “Premier Farnell Licensed Products”), and licensed Premier Farnell to use the Raspberry Pi Trade Marks in connection with the sale of these products. The agreement grants Premier Farnell control over the commercialisation of the Premier Farnell Licensed Products (i.e., advertising, marketing, promotion, sale and distribution). Premier Farnell undertakes to, among other things: (i) promote the distribution and sale of the Premier Farnell Licensed Products; (ii) ensure that the Premier Farnell Licensed Products comply with minimum technical and performance requirements; (iii) employ a sufficient number of suitably qualified personnel; (iv) keep all copies of our design and technical data secure; (v) provide first level customer support in respect of the Premier Farnell Licensed Products; and (vi) not directly or indirectly manufacture, promote, market, distribute or sell certain competing products which are clearly targeted at the Raspberry Pi market. Until 31 December 2026, RPL undertakes that it will not grant any other party the right to distribute the Group’s products on terms similar to this agreement, apart from in Taiwan and People’s Republic of China. RPL also undertakes to, among other things: (i) continue to promote the Premier Farnell Licensed Products and the Raspberry Pi brand generally; (ii) provide Premier Farnell with marketing and promotional support and maintenance, up to the value of 5 per cent. of the amount paid by Premier Farnell to RPL in any year; and (iii) provide support personnel at Premier Farnell’s or its contract manufacturer’s facilities. The agreement also sets out price and royalty payment terms (as described in further detail in Part XI: “*Operating and Financial Review—Key factors affecting our results of operations—Distribution channels*”). This agreement continues until 31 December 2026, at which point it will expire unless it is extended in writing by both parties.

## 14.7 Supply Contracts

- 14.7.1 On 30 June 2021, RPL entered into a \$44 million supply contract with Avnet to secure the supply of a chip used in the Pi 3 that has ceased to be manufactured. As of the date of this Prospectus, \$25 million worth of these chips remain to be supplied. Subject to the terms and conditions of the agreement and the delivery of such chips, RPL is obliged to pay for them, so long as they are delivered within the timelines specified in the agreement (being 31 December 2025 for \$12.3 million of chips, and 30 June 2026 for \$13 million of chips), and regardless of whether it requires them. Avnet will provide a 12-month warranty in respect of these chips.
- 14.7.2 On 19 May 2020, RPL entered into an agreement with Broadcom (through the entity Avago Technologies International Sales (Singapore) Pte. Ltd.) for the development of a new processor chip, BCM2712, and the supply of existing chips at specified unit prices. Under the terms of the agreement, Broadcom agreed to supply a minimum volume of their BCM2712 chip to RPL at a specified unit price. In addition, Broadcom committed to an EOL last buy period of 18 months from EOL notice to final shipment for all chips supplied under the agreement. Broadcom is subject to restrictions in its ability to (i) increase unit prices of any chip, (ii) change the minimum volumes of the BCM2712 chips supplied, or (iii) terminate production of the BCM2712 chips during the five-year minimum commitment period from the date on which RPL launched our first product containing the chip. In consideration for Broadcom's obligations under this agreement, in October 2020 RPL made a one-off non-recurring engineering payment towards the cost of developing the BCM2712 chip, and RPL has also agreed to a limited license of certain of its intellectual property to Broadcom for use in the production of BCM2712 chips, subject to certain terms and conditions. This agreement remains in effect until terminated by either party due to (i) a material breach by the other party, and the breach is not remedied within 30 days of being required by the notifying party to do so, or (ii) the other party becoming insolvent.
- 14.7.3 Effective 23 February 2023, RPL entered into an amended strategic collaboration agreement with Broadcom, which amended the parties' initial strategic collaboration agreement, which was effective 1 January 2023. Under the terms of this agreement, Broadcom agrees to fulfil RPL's purchase orders for certain SoCs in agreed volumes in each of 2024, 2025, 2026 and 2027 at an agreed price. If Broadcom delivers 25 per cent. or more of the contracted SoCs late for two consecutive quarters, RPL may, on 30 days written notice, reduce the volume of components that it has committed to purchase. Broadcom also agrees not to increase the price of the SoCs that are subject to this agreement unless there is a 6 per cent. or greater increase in Broadcom's supply chain cost, in which case RPL and Broadcom will mutually agree changes to this agreement. In return, RPL agrees to place non-cancellable and non-refundable orders for the SoCs in question. This agreement terminates on 31 December 2027, unless terminated earlier by either party due to (i) a material breach by the other party, and the breach is not remedied within 30 days of being required by the notifying party to do so, or (ii) the other party becoming insolvent.

## 14.8 Cornerstone Agreements

For a discussion of the Cornerstone Agreements, see paragraph 4 (*Cornerstone Investors*) of Part XVI: "*Details of the Global Offer*".

## 15 Related party transactions and other arrangements

Save as described in Note 29 of Section B: Historical financial information of Raspberry Pi Ltd and its subsidiary undertakings for the three years ended 31 December 2021, 2022 and 2023 of Part XIII: "*Historical Financial Information*", there were no related party transactions between the Company and the members of the Existing Group that were entered into during the financial years ended 31 December 2021, 2022 and 2023.



## **16 Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.

## **17 Dividends and dividend policy**

The Company does not intend to pay dividends in the short term and instead intends to reinvest the proceeds of its operations in the development of the business.

## **18 Working capital**

In the Company's opinion, the working capital available to the Group, taking into account the net proceeds receivable by the Company from the sale of the New Shares in the Institutional Offer and the bank facilities available to the Group, is sufficient for the Group's present requirements, that is, for at least the next 12 months following the date of this Prospectus.

## **19 No significant change**

There has been no significant change in the Group's financial performance or financial position since 31 December 2023, the date to which the last audited accounts of Raspberry Pi Ltd were prepared.

## **20 Consents**

Grant Thornton UK is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of the report in Part XIII: "*Historical Financial Information*" and the report in Part XIV: "*Unaudited Pro Forma Financial Information*" and has authorised the contents of its reports for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.

A written consent under the Prospectus Regulation Rules is different from a consent filed with the U.S. Securities and Exchange Commission under section 7 of the U.S. Securities Act. Grant Thornton UK LLP has not filed and will not be required to file a consent under section 7 of the U.S. Securities Act.

## **21 General**

**21.1** The total fees and expenses relating to the Global Offer, including the Banks' commission (but excluding any discretionary commission), the FCA listing fee, professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to £7,810,000 (including VAT) and are payable by the Company and/or the Selling Shareholders.

**21.2** The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 434(3) of the Companies Act 2006. Full audited accounts of RPL have been or will be, as applicable, delivered to the Registrar of Companies for the period from incorporation on 10 September 2012 to 31 December 2023.

## **22 Takeover regulation**

The City Code on Takeovers and Mergers (the "City Code") administered by the Panel on Takeovers and Mergers (the "Panel") will, on Admission, apply to the Company. The Company's Shareholders will therefore be entitled to the protections afforded by the City Code, as well as under Chapter 28 of the Companies Act 2006.

Other than as provided by the City Code and Chapter 28 of the Companies Act 2006, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell out rules relating to the Company.



### **22.1 Mandatory bids**

Under Rule 9 of the City Code, when: (i) a person acquires any interest in shares which (when taken together with shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company subject to the City Code but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then, in either case, that person, together with the person acting in concert with him, is normally required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for the Company's shares within the preceding 12 months, to the holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights.

### **22.2 Squeeze-out**

Under the Companies Act 2006, if a takeover offer (as defined in section 974 of the Companies Act 2006) is made by an offeror to acquire all of the Shares not already owned by it and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Shares to which the takeover offer relates (the "Takeover Offer Shares") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the Company the consideration, which it would hold on trust for outstanding shareholders. The consideration offered to the shareholders whose Takeover Offer Shares are acquired compulsorily under the Companies Act 2006 must, in general, be the same as the consideration that was available under the takeover offer.

### **22.3 Sell-out**

The Companies Act 2006 gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the Shares and not less than 90 per cent. of the voting rights carried by the Shares in the Company, any holder of Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Shares. The offeror is required to give any shareholder notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on shareholders notifying them of their sell-out rights. If a shareholder exercises his or her rights, the offeror is entitled and bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

### **22.4 Stabilisation arrangements in connection with the Global Offer**

Under the stabilisation arrangements described in "Details of the Global Offer", the Stabilising Manager may borrow Ordinary Shares (representing in aggregate up to 10 per cent. of the total number of the Sale Shares to be sold by the Principal Shareholder in the Global Offer from the Principal Shareholder under the terms of the Stock Lending Agreement for the purposes of satisfying over-allotments of Ordinary Shares. The Stabilising Manager will, within 30 calendar days of the date of the commencement of

conditional dealings of the Ordinary Shares on the London Stock Exchange, redeliver to the Principal Shareholder equivalent securities in respect of any borrowing it makes under the terms of the Stock Lending Agreement by transferring the same number of Ordinary Shares to the Principal Shareholder as the Stabilising Manager has borrowed from the Principal Shareholder. The Stabilising Manager may also utilise the Over-allotment Option to acquire Ordinary Shares representing in aggregate up to 10 per cent. of the total number of Sale Shares to be sold by the Selling Shareholders in the Global Offer from the Principal Shareholder whereupon the Principal Shareholder will be obliged to transfer such Ordinary Shares to the Stabilising Manager.

As a result of the combined effect of lending Ordinary Shares pursuant to the Stock Lending Agreement and granting the Over-allotment Option, the Principal Shareholder's shareholding in the Company can only remain the same or decrease from what its shareholding would be if it were not party to any stabilisation arrangements. In particular, the Principal Shareholder's shareholding in the Company will return to its original level when the loan is repaid and then decrease if the Stabilising Manager acquires Ordinary Shares from it pursuant to utilisation of the Over-allotment Option. The Panel has confirmed that, pursuant to Note 4 on the definition of "Interests in securities" and Note 16 on Rule 9.1 in the City Code, the Principal Shareholder will not be treated as having disposed of an interest in any Ordinary Shares when it lends Ordinary Shares to the Stabilising Manager under the Stock Lending Agreement and will not therefore be treated as having increased its interest in Ordinary Shares upon the redelivery of the lent Ordinary Shares. Accordingly, no Rule 9 mandatory offer obligation will arise under the stock lending arrangements.

An announcement will be made by the Company or by the Stabilising Manager on its behalf following utilisation of the Over-allotment Option, and a further announcement will be made to record the movements that have taken place in the Principal Shareholder's shareholding in the Company consequent upon the arrangements referred to above.

## **23 Concert Party Presumptions**

Under the City Code, shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the City Code applies (such as the Company) will generally be presumed to be acting in concert with each other.

The Company understands, following discussions with the Panel, that notwithstanding such presumption, and on the basis of information provided by the Company to the Panel, Lansdowne, Sony, Arm, Martin Hellawell, Rachel Izzard and David Gammon will not generally be presumed to be acting in concert with the Foundation or any other current Shareholders who remain Shareholders following Admission.

At Admission, the Company has agreed with the Panel that Ezrah will be presumed to be acting in concert with the Principal Shareholder based on (i) the contingent grant agreement entered into on 13 September 2021 pursuant to which Ezrah agreed to donate the proceeds from any future sale of its investment in the Company to the Foundation and (ii) the proximity of the personal relationships between John Lazar, the lead trustee of the Foundation, and David Cohen, the managing trustee of Ezrah. On Admission, Ezrah and the Principal Shareholder will hold 52.4 per cent. of the Shares (assuming no exercise of the Over-allotment Option).

Following Admission, the members of the concert party will hold Shares carrying more than 50 per cent. of the voting rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in Shares without incurring any obligation to make an offer under Rule 9, although individual members of the concert party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.

## 24 Documents available for inspection

Copies of the following documents will be available for inspection on the Group's website, at [www.raspberrypi.com](http://www.raspberrypi.com), for a period of 12 months following Admission: A1.21.1

- (a) the Company's Articles;
- (b) the historical financial information for RPL in respect of the three financial years ended 2021, 2022 and 2023;
- (c) service agreements of all of the Executive Directors and letters of appointment of the Chair and all of the Non-Executive Directors;
- (d) the consent letter referred to in "Consents" in paragraph 20 above;
- (e) the report from Grant Thornton UK LLP which are set out in Part XIII: "*Historical Financial Information*";
- (f) the report from Grant Thornton UK LLP which are set out in Part XIV: "*Unaudited Pro Forma Financial Information*"; and
- (g) this Prospectus.

Dated: 11 June 2024

## **PART XVIII**

### **DEFINITIONS**

The following definitions apply throughout this Prospectus unless the context requires otherwise:

<b>Admission</b>	the admission of the Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with, respectively the Listing Rules and the Admission and Disclosure Standards
<b>Admission and Disclosure Standards</b>	the current edition of the Admission and Disclosure Standards produced by the London Stock Exchange
<b>Approved Design Partners</b>	Third party engineers who assist clients in integrating Raspberry Pi products
<b>Arm</b>	Arm Technology Investments 2 Limited
<b>Articles</b>	the articles of association of the Company adopted on 10 June 2024
<b>Audit Committee</b>	the audit committee of the Board of Directors
<b>Auditors</b>	Grant Thornton UK LLP
<b>Banks</b>	Jefferies International Limited and Peel Hunt LLP
<b>Board of Directors</b>	the board of directors of the Company
<b>Broadcom</b>	refers to Broadcom Inc. and Avago Technologies International Sales Pte. Ltd., as applicable
<b>Business Day</b>	a day (excluding Saturdays, Sundays and public holidays) on which banks are open in London for the transaction of normal banking business
<b>Companies Act 2006</b>	the Companies Act 2006, as such act may be amended, modified or re-enacted from time to time
<b>Companies Acts</b>	shall have the same meaning as in Section 2 of the Companies Act 2006 in so far as they apply to the Company
<b>Company</b>	Raspberry Pi Holdings plc
<b>Controlling Shareholders</b>	the Principal Shareholder, the Foundation and Ezra
<b>CREST</b>	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & Ireland is the operator
<b>CREST Regulations</b>	the Uncertified Securities Regulations 2001 (512001/3755)
<b>Deeds of Election</b>	the share sale election deeds entered into by or on behalf of certain Selling Shareholders pursuant to which, among other things, Equiniti Financial Services Limited (acting as agent on behalf of those Selling Shareholders) has been irrevocably instructed to agree the sale of Offer Shares as agent for and on behalf of those Selling Shareholders
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA through

	which a manager derives its status as an authorised person under the FSMA rules and guidance, as, from time to time, amended
<b>EBT</b>	Employee Benefit Trust
<b>EEA</b>	European Economic Area
<b>EU</b>	the European Union
<b>EU Prospectus Regulation</b>	Regulation (EU) 2017/1129 and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of assimilated EU law
<b>Executive Directors</b>	the executive Directors of the Company
<b>Existing Group</b>	RPL and its subsidiary undertakings from time to time
<b>Exit</b>	as defined in the Articles of Association of RPL as the sale of the Group or its listing upon a stock exchange
<b>Ezrah</b>	Ezrah Charitable Trust
<b>Ezrah Relationship Agreement</b>	the relationship agreement to be entered into on or around the date of this Prospectus between Ezrah and the Company
<b>FCA</b>	the UK Financial Conduct Authority
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>Foundation</b>	the Raspberry Pi Foundation
<b>Foundation Relationship Agreement</b>	the relationship agreement to be entered into on or around the date of this Prospectus between the Foundation, the Principal Shareholder and the Company
<b>GBP</b>	the lawful currency of the UK
<b>Global Offer</b>	the Institutional Offer and the REX Intermediaries Offer
<b>Group or we/us/our</b>	the Company and its subsidiary undertakings from time to time
<b>HMRC</b>	His Majesty's Revenue and Customs
<b>Institutional Offer</b>	the offer of Offer Shares (i) to certain institutional and professional investors in the UK and elsewhere outside the United States in offshore transactions as defined in, and in accordance with, Regulation S under the U.S. Securities Act, and (ii) in the United States to persons reasonably believed to be QIBs as defined in, and in accordance with, Rule 144A, or pursuant to another exemption from, or in transactions not subject to, registration under the U.S. Securities Act
<b>Joint Bookrunners or Joint Sponsors</b>	Jefferies International Limited and Peel Hunt LLP
<b>Lansdowne</b>	Lansdowne Developed Markets Master Fund Limited
<b>Legislation</b>	the Companies Acts, the CREST Regulations and every other enactment for the time being in force concerning companies and affecting the Company
<b>Listing Rules</b>	the listing rules relating to admission to the Official List made under section 73A(2) of the FSMA

<b>Market Abuse Regulation</b>	the EU Market Abuse Regulation (No 596/2014) and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of assimilated law
<b>Member State</b>	a member state of the European Economic Area
<b>New Shares</b>	new Shares in the Company to be allotted and issued by the Company as part of the Global Offer
<b>Nomination Committee</b>	the nomination committee of the Board of Directors
<b>Non-Executive Directors</b>	the non-executive Directors of the Company
<b>Offer Price</b>	the price at which each Offer Share is to be sold under the Global Offer
<b>Offer Shares</b>	New Shares and Sale Shares to be sold by the Company and the Selling Shareholders (respectively) pursuant to the Global Offer
<b>Official List</b>	the Official List of the Financial Conduct Authority
<b>Over-allotment Option</b>	the option granted to the Stabilising Manager by the Principal Shareholder to purchase, or procure purchasers for, the Over-allotment Shares as more particularly described in Part XVI: <i>“Details of the Global Offer”</i>
<b>Over-allotment Shares</b>	up to 4,593,506 Shares issued pursuant to the Over-allotment Option
<b>Pre-IPO Reorganisation</b>	the reorganisation of the Group conducted over the period 12 March 2024 to 10 June 2024, for the purposes of and in preparation for the Global Offer
<b>Prospectus</b>	this prospectus published by the Company and approved by the FCA in accordance with the Prospectus Regulation Rules
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules made by the FCA, as from time to time amended and includes, where appropriate, relevant provisions of the Prospectus Regulation as referred to or incorporated within the Prospectus Regulation and “PRR” is a reference to any one of the Prospectus Regulation Rules
<b>Principal Shareholder</b>	Raspberry Pi Mid Co Limited, a company incorporated in England and Wales with registered number 13603843, being a wholly owned subsidiary of the Foundation
<b>Qualified Investors</b>	persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation
<b>Raspberry Pi Trade Marks</b>	the registered trade marks and applications for registered trade marks set out in the schedule to the Trade Mark Assignment agreement dated 3 September 2021, including all trade marks and logos relating to Raspberry Pi, MagPi, Hackspace Magazine, Wireframe Magazine and Raspberry Pi Pico
<b>Registrars</b>	Equiniti Limited
<b>Regulation S</b>	Regulation S under the U.S. Securities Act

<b>Regulatory Information Service</b>	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies
<b>Relationship Agreements</b>	the Foundation Relationship Agreement and the Ezra Relationship Agreement
<b>Relevant Member State</b>	each Member State of the European Economic Area that has implemented the Prospectus Directive
<b>Remuneration Committee</b>	the remuneration committee of the Board of Directors
<b>REX Intermediaries Offer</b>	the offer of Offer Shares to the Intermediaries using the Peel Hunt REX portal for distribution to retail investors in the UK
<b>RPL</b>	Raspberry Pi Ltd, a company incorporated in England and Wales with registered number 08207441
<b>Rule 144A</b>	Rule 144A under the U.S. Securities Act
<b>Sale Shares</b>	existing Shares in the Company to be sold by the Selling Shareholders in the Global Offer (excluding the Over-allotment Option of up to 4,593,506 Over-allotment Shares)
<b>Selling Shareholders</b>	the Principal Shareholder and each other person who has elected to make available Offer Shares for sale in the Global Offer
<b>Stabilisation Manager</b>	Jefferies International Limited
<b>Stock Lending Agreement</b>	the stock lending agreement entered into between the Stabilising Manager and the Principal Shareholder described in paragraph 9 of Part XVI: “ <i>Details of the Global Offer—Stock Lending Agreement</i> ”
<b>Shareholders</b>	the holders of Shares in the capital of the Company
<b>Shares</b>	ordinary shares of £0.0025 each in the capital of the Company
<b>Sony</b>	Sony Semiconductor Solutions Corporation
<b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time
<b>Underwriting Agreement</b>	the underwriting agreement expected to be entered into between the Company, the Directors, Raspberry Pi Mid Co Limited, Equiniti Financial Services Limited (acting as agent on behalf of certain Selling Shareholders pursuant to Deeds of Election entered into by or on behalf of those Selling Shareholders) and the Banks described in paragraph 12 of Part XVII: “ <i>Additional Information</i> ”
<b>United States or U.S.</b>	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
<b>U.S. Securities Exchange Act</b>	U.S. Securities Exchange Act of 1934, as amended
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended
<b>VAT</b>	value added tax



## PART XIX

### SCHEDULE OF CHANGES

The registration document published by RPL on 15 May 2024 (the "Registration Document") contained the information required to be included in a registration document for equity securities by Annex 1 to the UK version of Commission Delegated Regulation (EU) 2019/980 (supplementing Regulation (EU) 2017/1129) as it forms part of domestic UK law by virtue of the EUWA (the "PR Regulation"). The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a securities note for equity securities as prescribed by Annex 11 to the PR Regulation and summary information for equity securities as prescribed by Article 7 of the UK Prospectus Regulation. The Prospectus updates and replaces in whole the Registration Document. Any equity investor participating in the Global Offer should invest solely on the basis of this Prospectus, together with any supplement thereto.

This schedule of changes to the Registration Document (the "Schedule of Changes") sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in this Prospectus unless otherwise defined herein.

#### *Purpose*

The purpose of this Schedule of Changes is to:

- (a) highlight material changes made in this Prospectus, as compared to the Registration Document;
- (b) highlight the new disclosure made in this Prospectus to reflect information required to be included in a securities note; and
- (c) highlight the new disclosure made in this Prospectus to reflect information required to be included in a "Summary".

## **1 REGISTRATION DOCUMENT CHANGES**

- 1.1** The information under the section "*Directors, Secretary, Registered Office and Advisers*" on page 30 of the Registration Document has been updated in the Prospectus to reflect the details of the Joint Sponsors, the Joint Sponsors' legal advisers, the Registrar, the Selling Agent and the Remuneration Advisor. Please see page 41 to 42 of the Prospectus.
- 1.2** Dr. Gordon Hollingworth, James Adams and Philip Colligan are non-executive directors of RPL, but as they are not directors of the Company, certain references and information in relation to them has been amended in the Prospectus. For example, please see pages 90, 226 and 239 of the Prospectus.
- 1.3** New paragraphs have been added to page 39 of the Registration Document regarding the Company's interaction with the Foundation and the expectation that, following Admission, the Company will receive the London Stock Exchange's Green Economy Mark. Please see page 54 of the Prospectus.
- 1.4** The date which the Directors were appointed under the section "*Directors, Senior Management and Corporate Governance*" on page 72 of the Registration Document has been amended to reflect the date which the Directors were appointed to the Board of the Company, not the Board of RPL. Please see page 87 to 89 of the Prospectus.
- 1.5** Page 76 and 77 of the Registration Document has been updated to reflect the implementation of changes to the Company's corporate governance arrangements appropriate for a listed company. Please see page 91 to 93 of the Prospectus.

- 1.6 A new paragraph was added on page 85 of the Registration Document under the section “*Operating and Financial Review*” to reflect the incorporation of the Company. Please see page 101 of the Prospectus.
- 1.7 A new paragraph entitled “*Share-based compensation*” was added on page 98 of the Registration Document to reflect the Company’s new long-term incentive scheme comprising market value options which will be implemented and take effect upon Admission. Please see page 114 of the Prospectus.
- 1.8 Certain financial figures in the subsection entitled “*Gross Profit*” in the “*Operating and Financial Review*” section on page 104 of the Registration have been updated. Please see page 116 and 117 of the Prospectus.
- 1.9 Amendments were made to the subsection “*Borrowings*” in the “*Operating and Financial Review*” section on page 109 of the Registration Document to reflect the repayments by the Group of the sums outstanding under the Revolving Credit Facility, and to more precisely track the definition of “adjusted EBITDA” from the Revolving Credit Facility. Please see page 167 of the Prospectus.
- 1.10 A new paragraph has been added to the subsection “*Events after the reporting period*” in the “*Historical Financial Information*” section on page 163 of the Registration Document to reflect the share split undertaken by RPL and the insertion of Raspberry Pi ListCo Limited into the Group structure as the parent of RPL. Please see page 182 of the Prospectus.
- 1.11 The subsection entitled “*Incorporation and Potential Intra-group Reorganisation*” in the “*Additional Information*” section on page 164 of the Registration Document has been updated to reflect the intra-group reorganisation conducted after the date of the Registration Document and prior to the date of publication of the Prospectus. Please see page 211 of the Prospectus.
- 1.12 The subsection entitled “*Share Capital*” in the “*Additional Information*” section on page 164 of the Registration Document has been updated to reflect the intra-group reorganisation conducted after the date of the Registration Document and prior to the date of publication of the Prospectus. Please see page 211 to 215 of the Prospectus.
- 1.13 A new subsection entitled “*Pre-IPO Reorganisation*” has been added to the “*Additional Information*” section on page 164 of the Registration Document to reflect the pre-IPO reorganisation conducted by the Existing Group after the date of publication of the Registration Document. Please see page 215 to 216 of the Prospectus.
- 1.14 The sub-section entitled “*Articles of Association*” in the “*Additional Information*” section on page 165 to 168 of the Registration Document has been updated to reflect the articles of association of the Company that were in effect at the date of the Prospectus and Admission. Please see page 216 to 224 of the Prospectus.
- 1.15 The sub-section entitled “*Directors’ service agreements, letters of appointment and other matters*” in the “*Additional Information*” section on pages 171 to 172 of the Registration Document has been updated to reflect the service contracts of Dr Eben Upton and Richard Boulton which will take effect at Admission. Please see page 227 to 228 of the Prospectus.
- 1.16 The sub-section entitled “*Non-Executive Directors - Letters of appointment*” in the “*Additional Information*” section on page 172 of the Registration Document has been updated to reflect the terms of the letters of appointment for the Chair and the Non-Executive Directors. Please see page 228 of the Prospectus.
- 1.17 A new sub-section entitled “*Overview of remuneration policy*” in the “*Additional Information*” section has been added on page 172 of the Registration Document to reflect the Company’s post-Admission approach to executive remuneration. Please see page 229 to 231 of the Prospectus.

- 1.18 New sub-sections entitled “*Key terms of the Long-Term Incentive Plan*” and “*Key terms of the Deferred Bonus Plan*” in the “*Additional Information*” section has been added on page 172 of the Registration Document to reflect the Company’s post-Admission approach to executive remuneration. Please see page 231 to 235
- 1.19 The sub-section entitled “*Interests of the Directors and Senior Management*” in the “*Additional Information*” section on page 173 of the Registration Document has been updated to reflect the interests of the Directors and Senior Management in the share capital of the Company immediately prior to Admission and immediately following Admission. Please see pages 239 to 240 of the Prospectus.
- 1.20 The sub-section entitled “*Interests of significant Shareholders*” in the “*Additional Information*” section on page 174 of the Registration Document has been updated to reflect the interests of the significant shareholders in the share capital of the Company immediately prior to Admission and immediately following Admission. Please see pages 239 to 240 of the Prospectus.
- 1.21 A new sub-section entitled “*Employee share plans*” in the “*Additional Information*” section on page 174 of the Registration Document has been added to reflect the Company’s employee share incentive plans in connection with and following Admission. Please see page 241 of the Prospectus
- 1.22 A new sub-section entitled “*Underwriting and Selling Shareholder arrangements*” in the “*Additional Information*” section on page 174 of the Registration Document has been added to reflect the Company’s entry into the Underwriting Agreement on the date of this Prospectus. Please see page 241 to 242 of the Prospectus.
- 1.23 Updates have been made to the sub-section entitled “*Material Contracts*” in the “*Additional Information*” section on page 175 of the Registration Document, including but not limited to the additional of the following new material contracts: (i) Underwriting Agreement; (ii) the Relationship Agreements; and (iii) the Cornerstone Agreements. Please see page 242 to 247 of the Prospectus
- 1.24 A new sub-section entitled “*Dividends and dividend policy*” in the “*Additional Information*” section on page 178 of the Registration Document has been added to reflect the Company’s proposed dividend policy which will take effect after Admission. Please see page 248 of the Prospectus.
- 1.25 A new paragraph has been included in the sub-section entitled “*General*” in the “*Additional Information*” section on page 179 of the Registration Document has been added to reflect the fees and expenses incurred by the Company in the Global Offer. Please see page 248 of the Prospectus.
- 1.26 New paragraphs have been included in the sub-section entitled “*Documents available for inspection*” in the “*Additional Information*” section on page 179 of the Registration Document to reflect that the service agreements and letters of appointment for the directors and the Grant Thornton report on the pro forma financial information will be uploaded to the Company’s website on Admission. Please see page 251 of the Prospectus.

## 2 SECURITIES NOTE INFORMATION

- 2.1 The risk factor “*Supply chain issues, including a shortage of adequate component supply, may increase our costs, and cause delays in our ability to fulfil orders*” on page 5 of the Registration Document was amended to correct references to “8,477 million units” and “6,080 million units” to “8,477 thousand units” and “6,080 thousand units”. Please see page 12 of the Prospectus.
- 2.2 Updates were made to the risk factor “*We may not be able to effectively manage our growth*” on page 9 of the Registration Document to reflect repayments by the Group of the amount outstanding under the Revolving Credit Facility between the date of publication of the Registration Document and the Reference Date. Please see page 15 and 16 of the Prospectus.

- 2.3 A new section entitled “*Risks related to the Global Offer and the Offer Shares*” has been added into the Prospectus. This section describes the risks relating to the Global Offer and the ordinary shares, including risks relating to an active trading market or the trading price of the ordinary shares, risks relating to the Mid Co as the Group’s largest shareholder and dilution and risks relating to the U.S. Please see page 29 to 31 of the Prospectus.
- 2.4 New sections entitled “*Expected Timetable of Principal Events*”, “*Global Offer Statistics*” and “*Use of Proceeds*” has been added into the Prospectus, describing the timetable for the Global Offer, the statistics in relation to the Global Offer and the Company’s proposed use of proceeds. Please see page 43 to 45 of the Prospectus.
- 2.5 A new section entitled “*Capitalisation and Indebtedness Statement*” has been added into the Prospectus, describing the consolidated capitalisation and indebtedness of the Group as at 31 March 2024. Please see page 127 of the Prospectus.
- 2.6 A new section entitled “*Unaudited Pro Forma Financial Information*” has been added into the Prospectus, to illustrate the effect of the Global Offer on the Company’s consolidated net assets as if the Global Offer had occurred on 31 December 2023. Please see page 184 to 187 of the Prospectus.
- 2.7 A new section entitled “*Taxation*” has been added into the Prospectus to provide a general guide to certain UK and US federal tax considerations relevant to the acquisition, ownership and disposition of Offer Shares. Please see page 188 to 195 of the Prospectus.
- 2.8 A new section entitled “*Details of the Global Offer*” has been added into the Prospectus, describing the means through which the Offer Shares will be offered to institutional investors and Intermediaries. The “*Details of the Global Offer*” section also includes the arrangements entered into between the Company and the Joint Sponsors, amongst other parties, pursuant to which the Joint Sponsors agreed to underwrite the Global Offer and the lock-up arrangements that have been entered into or will be entered into ahead of Admission. Please see pages 196 to 211 of the Prospectus.
- 2.9 A new subsection entitled “*Working capital statement*” in the “*Additional Information*” section has been added into the Prospectus, confirming the adequacy of the Group’s working capital. Please see page 248 of the Prospectus.
- 2.10 New subsections entitled “*Takeover Regulation*” and “*Concert Party Presumptions*” in the “*Additional Information*” section has been added into the Prospectus, describing the City Code on Takeover and Mergers which the Company will be subject to post-Admission. Please see pages 248 to 250 of the Prospectus.

### 3 SUMMARY INFORMATION

- 3.1 A new section entitled “*Summary*” has been added into the Prospectus to reflect the addition of a Summary as required by Article 7 of the UK Prospectus Regulation. Please see pages 1 to 9 of the Prospectus.