

**Raspberry Pi Holdings plc**  
("Raspberry Pi", "the Company", or "the Group")

*Strong 25% EBITDA growth ahead of expectations, increased unit volumes and continued product and platform expansion.*

*Strong momentum carried into FY 2026.*

Raspberry Pi (LSE: RPI), a leader in high-performance, low-cost computing, is pleased to announce its results for the year ended 31 December 2025 ("FY 2025").

### Financial Highlights

	FY 2025	FY 2024	Change
Revenue (\$m)	<b>323.2</b>	259.5	25%
Gross profit (\$m)	<b>77.8</b>	63.2	23%
Gross margin (%)	<b>24.1%</b>	24.4%	-0.3ppt
Adjusted EBITDA * (\$m)	<b>46.4</b>	37.2	25%
Profit before tax (\$m)	<b>26.5</b>	16.3	63%
Basic Earnings per Share ("EPS") (c)	<b>11.22</b>	6.48	73%
Adjusted EPS (c)	<b>14.48</b>	10.69	35%
Cash (\$m)	<b>28.1</b>	45.8	(39%)

*\*The Group uses certain measures in addition to those reported under IFRS, under which the Group reports. These Alternative Performance Measures ("APMs") are not considered a substitute for, or superior to, the equivalent statutory IFRS measures. These APMs are explained, defined and reconciled in the APM section and are applied consistently.*

- Unit shipments were 4.0 million in H2, up 11% from 3.6 million in H1, and a total of 7.6 million for FY 2025, up 9% from 7.0 million in FY 2024.
- Adjusted EBITDA was higher than expected at \$46.4 million up 25% on the prior year (FY 2024: \$37.2 million), supported by strengthening demand and favourable unit economics through H2.
- Net cash was \$28.1 million at year end (FY 2024: \$45.8 million), exceeding expectations, after paying down \$52.2 million of extended supplier payables over the year.

### Operational Highlights

	FY 2025	FY 2024	Change
Unit volume (m)	<b>7.6</b>	7.0	9%
Number of products released	<b>13</b>	22	(41%)
Number of Approved Resellers	<b>113</b>	117	(3%)
Engineers as % of total employees	<b>51%</b>	48%	6%

- Demand strengthened through the year across both OEMs and Authorised Resellers, with notably strong demand from USA and China.
- For the first time, semiconductor device volumes exceeded those of boards and modules, with 8.4 million semiconductor units sold.
- The Company demonstrated continued product momentum with 13 launches in FY 2025 (FY 2024: 22), in addition to software and platform updates.
- Raspberry Pi Connect, which allows enterprises to cost-effectively and securely connect to IoT devices in the field, finished the year with approaching 400k connected devices. Over-

the-air update functionality, a key enabler for OEM customers, was added to the platform in Q4.

- The post-year-end launch of AI HAT+2 enables customers to run advanced AI applications, including large language and vision language models.
- The Company successfully navigated rising DRAM costs, supported by supplier diversification, pricing adjustments and substantial inventory buffers.
- The Company consolidated its network of Approved Resellers, Authorised Distributors and Design Partners with a focus on developing industrial and OEM sales expertise in key geographies.

## **Outlook**

- Strong sales momentum has carried into the opening months of this year.
- The current DRAM supply environment is expected to persist beyond this year, although we would expect some mitigation from demand elasticity in the short term and increased foundry capacity investment in the medium term.
- While the DRAM environment limits second-half visibility, we have the inventory position, supplier relationships and pricing flexibility to navigate it effectively. Against that backdrop full-year profitability is anticipated to be in-line with market estimates, with revenue materially higher.
- The current environment requires flexibility and fast decision-making. The Company views it as a strategic opportunity to gain market share, strengthen customer relationships, and convert disruption into competitive advantage.

## **Eben Upton, CEO of Raspberry Pi said:**

*“2025 was a year of strong execution for Raspberry Pi, with accelerating demand across our global markets and adjusted EBITDA ahead of expectations. We also passed an important milestone as semiconductor shipments exceeded those of our boards and modules for the first time, reflecting our progress towards a two-franchise business.*

*“Our performance in FY 2025 amid DRAM inflation speaks to the strength and agility of our supply chain and the resilience of our operations. Our team has delivered new products, strengthened our software platforms, and broadened our reach across industrial and embedded markets globally.*

*“We have entered FY 2026 with strong momentum, underpinned by growing demand and continued progress in direct customer engagements. Combined with strategic hiring, rapid uptake of new products, and a channel whose capabilities are well aligned with the opportunities ahead, I am more confident than ever in our long-term growth trajectory.”*

## **Hybrid analyst and institutional investor briefing**

Eben Upton, CEO, and Richard Boulton, CFO, will host a hybrid analyst and institutional investor briefing today at 09:30 BST at the offices of Linklaters, 20 Ropemaker St, London EC2Y 9AR.

Those wishing to attend the event in person or online, please register via [raspberrypi@almastrategic.com](mailto:raspberrypi@almastrategic.com).

*This announcement contains certain forward-looking statements, including with respect to the Company's current targets, expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations, made in good faith and based on the information available to them at the time of the announcement. Such statements involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement and should be treated with caution.*

*Any forward-looking statements made in this announcement by or on behalf of Raspberry Pi speak only as of the date they are made. Except as required by applicable law or regulation, Raspberry Pi expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.*

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***Notes to Editor***

Headquartered in Cambridge, UK, Raspberry Pi's mission is to put high-performance, low-cost, general-purpose computing platforms in the hands of enthusiasts and engineers all over the world.

Raspberry Pi is a full-stack engineering organisation, with research and development capabilities spanning the entire value chain, from semiconductor IP development, through semiconductor and electronic product design to software engineering and regulatory compliance. The high performance, low cost, and physical robustness of Raspberry Pi products make them suitable for a wide range of applications, across three distinct markets: Industrial and Embedded, Enthusiast and Education, and Semiconductors. To date, over 75 million units have been sold.

## **CEO's statement**

### **Dr Eben Upton CBE FEng**

Chief Executive Officer and Founder

**“For the first time, semiconductor device volumes exceeded those of boards and modules – a milestone on our journey towards a two-franchise business.”**

### **Another exceptional year for Raspberry Pi**

2025 was an exciting year for Raspberry Pi. It was a year defined by delivery and by consolidation: completing the current generation of our core products, developing our semiconductor offering and refining the channel relationships that allow us to reach millions of customers around the world.

With the release of the Raspberry Pi 500+ all-in-one PC in September, we rounded out our fifth-generation core product line up, freeing our engineering team to focus on work that will in due course lead to Raspberry Pi 6.

An updated version of our RP2350 microcontroller, released in August, delivered reliability and performance enhancements, and was accompanied by new variants that integrate non-volatile memory directly into the chip package.

These developments were complemented by accessory releases, including Radio Module 2, Camera Module 3 Sensor Assemblies, and a 5" variant of Touch Display 2. Our expanding range of board, module, semiconductor and accessory offerings make it easier than ever for our customers to engage with Raspberry Pi technology, and for OEMs to integrate it into their own products.

Our continued growth is made possible through the efforts of our global ecosystem of distribution partners. Over the last year we have consolidated our network of Approved Resellers, Authorised Distributors and Design Partners with a focus on developing industrial and OEM sales expertise in key geographies.

### **Delivering through transition**

2025 was our first full year as a public company following our listing on the London Stock Exchange in June 2024. The transition has been a rewarding one: regular dialogue with our investors has deepened our understanding of the fundamentals of our business and sharpened our focus on long-term value creation.

Our board and module unit shipments reached 4.0 million in the second half, bringing total shipments for the year to 7.6 million, an increase of 9% year on year, as demand strengthened markedly through the year. We saw robust demand in key international markets, particularly the United States and China. Adjusted EBITDA of \$46.4 million exceeded expectations, supported by favourable unit economics in the second half of the year. We ended the year with net cash of \$28.1 million after the repayment of \$52.2 million of previously extended supplier payables, demonstrating our continued balance sheet strength and prudent approach to capital management.

We reached an important strategic inflection point in 2025. For the first time, shipments of our microcontroller devices, RP2040 and the RP2350 family, exceeded those of our boards and modules, with a total of 8.4 million units shipped. This milestone represents a key step forward in our ambition to build Raspberry Pi into a two-franchise business, with both electronic products and semiconductors making significant contributions to volumes, revenues, and profitability.

### **Innovation and product execution**

Technical innovation remains the linchpin of our success and in 2025 we launched 13 new products (2024: 22). These new releases delivered targeted support for an ever-growing range of customer applications.

Industrial-temperature compute modules and new variants of our RP2350 microcontroller extended our reach into challenging environments and demanding deeply embedded use cases.

Our premium keyboard computer Raspberry Pi 500+ was welcomed with excitement by enthusiasts and we announced a partnership with NComputing, a global leader in end-user computing solutions, to bring it to the enterprise market.

Responding to demand from our microcontroller customers, we launched our first standalone wireless module in June. Building on our heritage of modular design, Radio Module 2 offers integrated Wi-Fi and Bluetooth radios from our partner Infineon, a compact form factor, and a low-pin-count host interface. These design choices simplify integration, reduce external component count, and eliminate the expense and complexity of radio certification, streamlining our customers' journey from prototype to production.

Our software offering continues to evolve alongside our hardware. The Pico SDK and its Visual Studio Code integration received major updates, while Raspberry Pi OS (Trixie) introduced performance and security improvements, and an enhanced desktop user experience.

Raspberry Pi Connect for Organisations added enterprise features for secure device management and remote access, allowing OEM customers to simply and securely maintain large fleets of devices in the field.

Connect now supports hundreds of thousands of devices in the free tier and thousands more in its paid-for tier and continues to see robust month-on-month growth. At the end of the year, we released over-the-air ("OTA") update capability for Connect. Support for OTA updates of IoT device firmware is becoming a regulatory requirement in many jurisdictions, and we see this development as a natural extension of our strategy to eliminate complexity for our OEM customers.

Artificial intelligence was a defining technology theme of 2025, and edge AI represents a significant opportunity for Raspberry Pi. Our platforms allow OEMs to deploy AI applications at the edge of the network, delivering improved latency, privacy and cost compared to cloud-hosted alternatives. We continue to work closely with model developers and partners to ensure that their workloads run performantly on our platforms, and are confident that edge AI on Raspberry Pi will play a key role in the next decade of digital transformation.

### **Expanding markets and the two-franchise model**

The continued growth of our semiconductor business marks a new era for Raspberry Pi. Our RP2040 and RP2350 microcontrollers sit at the heart of a thriving ecosystem of partner-developed products. For our existing board and module OEM customers, our semiconductor devices represent a vital next rung on the scaling ladder, enabling custom designs that can serve a vast range of industrial and embedded applications. We continue to support these customers by providing the engineering quality, transparent competitive pricing and extensive technical collateral that has become our hallmark.

We continue to see the synergy between our two franchises as a powerful driver of long-term growth. Our boards and modules act as the shop window for our semiconductor devices, while our semiconductor devices allow us to build ever more capable and efficient boards and modules. As we move along this trajectory, our aspiration is for semiconductor volumes to grow by orders of magnitude, transforming Raspberry Pi from a company that sells millions of boards and modules each year into one that also ships billions of semiconductor devices.

### **Go-to-market strategy**

We continue to strengthen our go-to-market strategy, working with our Approved Reseller and Authorised Distributor partners, and directly with larger OEMs, to secure the design wins which will deliver medium-term unit sales growth and improved gross profit margins.

In the year, our number of Authorised Resellers fell to 113 (2024: 117). After adding a net 13 new Approved Resellers in 2024, we took the opportunity this year to refine our distribution strategy, retiring underperforming partners and adding new ones to drive industrial and OEM growth in key geographies. Key additions in the year included HT Componenti Srl in Italy, Icompplus Electronics S.L. in Spain, eukleed in France and Electronica Elemon SA in Argentina.

Our "Board to Board" initiative, launched after the 2024 IPO, continues to target larger-scale design wins via direct senior-level engagement at major OEMs. This more intensive approach provides deeper insight into prospective customers' technical and operational needs and allows us to leverage existing adoption of Raspberry Pi technology in prototyping and production automation into scaled OEM adoption.

In the year, we held more than 20 C-Suite level discussions, supporting customers in addressing critical challenges around security, connectivity and supply chain resilience. These engagements have increased awareness and understanding of the Raspberry Pi value proposition at senior levels in the target organisations and enhanced our profile as a strategic partner rather than solely as a technology provider. Numerous project discussions remain ongoing, most notably with OEMs in the smart home and defence and aerospace sectors.

## **Tariffs**

Our sales to US customers remain strong, with revenue growing 56% year on year. Our exclusively UK-manufactured boards and modules have been subject to lower competitive tariffs than our predominantly China-manufactured competitors. Our major US distribution partners have worked closely with us to maintain attractive pricing for our products. In our education and enthusiast market, we expect a meaningful competitive benefit to arise from the abolition of the de minimis tariff exemption on small, personal shipments into the US.

## **DRAM supply**

Global DRAM markets tightened significantly through 2025 and into 2026 due to AI-driven demand. We have mitigated the impact on our business through supplier diversification and targeted pricing adjustments and continue to benefit from inventory acquired at lower historical prices. These actions have supported supply continuity and profitability, and create potential opportunities for market share gains against competitors who face sourcing constraints.

We expect the current supply environment to persist beyond this year, although we would expect some mitigation from demand elasticity in the short term and increased foundry capacity investment in the medium term. Around one-third of our boards and modules by volume either use no DRAM (Raspberry Pi Pico products), or older LPDDR2 DRAM, for which we maintain a separate, substantial inventory buffer; these products are not exposed to DRAM market volatility.

## **Our people**

We continue to make disciplined investments in our sales and business development capacity, building a commercial organisation that can identify and win OEM opportunities at scale. We are strengthening our engineering, finance, legal and communications functions, while leveraging automation to drive operational efficiency, manage costs and support sustainable long-term growth.

At the end of 2025, the permanent headcount was 140 employees (end December 2024: 132 employees) with 51% (end December 2024: 48%) in engineering roles.

After seven years with Raspberry Pi, Richard Boulton, our CFO, announced in October that he would be stepping down from his role before the end of 2026. Richard has been instrumental in maturing the finance function at Raspberry Pi and has made an invaluable contribution to the growth and development of the Company during a period of rapid change, and most significantly through the IPO process. I am deeply grateful for his friendship and leadership over the past half-decade. The succession process is well-advanced, with strong candidates identified, and we expect to confirm an appointment in the second half, ensuring an orderly and seamless transition.

Post the year end we were pleased that Tim Mamtora joined as Chief Operating Officer. Formerly CTO at Imagination Technologies, he will oversee engineering operations, IT, cybersecurity, facilities, warehousing and general administration.

## **Roadmap**

Raspberry Pi continues to execute its development roadmap as planned. Major platform releases typically arrive every four to five years, and as we enter the middle period of the fifth generation, we are allocating more resource to the design of the next platform.

When it arrives, Raspberry Pi 6 will embody the same philosophy that has guided every generation before it: significant improvements in performance, efficiency and usability, and an emphasis on continuity in the software stack. This approach lowers execution risk and ensures that every generation of Raspberry Pi hardware can be supported by a single codebase and single software team.

On the microcontroller front, we continue to evolve the RP2 architecture, exploring opportunities to scale performance, reduce cost and integrate additional functionality. A key lesson from our compute module business is that even small reductions in the engineering effort required to use our products drive radical increases in the rate of adoption; our semiconductor roadmap reflects this insight.

A decade and a half after shipping the first Raspberry Pi computer, we have built a cost-effective, high-performance general-purpose computing platform for professional engineers and innovators everywhere.

We continue to learn from our customers, and to build the products, and the organisational capabilities, that will underpin our future success.

## **Outlook**

We left 2025 with strong momentum in our core electronic products business – the second half was stronger than the first, and within that the fourth quarter stronger than the third – and have seen this momentum continue into 2026. Despite price increases associated with the increase in DRAM costs, we continue to see robust demand from our OEM and enthusiast customer bases.

While the DRAM environment limits second-half visibility, we have the inventory position, supplier relationships and pricing flexibility to navigate it effectively. We remain confident in our ability to execute and view the current market environment primarily as an opportunity rather than a threat.

It remains an immense privilege to lead Raspberry Pi and to work with such extraordinary colleagues, partners and investors. Together we are building the infrastructure for a more connected, intelligent and sustainable world and we are only at the very beginning of the Raspberry Pi journey.

**Dr Eben Upton CBE FREng**

Chief Executive Officer and Founder

30 March 2026

## Financial review

2025 was a year of good progress as the excess inventory purchased by sales channel partners in 2024 cleared and demand returned to expected levels. Unit sales continued to improve through 2025, accelerating in the second half, with H2 2025 board unit volumes increasing 11%. The growth has been in higher-margin boards leading to an 18% increase in profit per board and a 23% increase in the gross profit.

Costs grew at a similar rate to gross profit resulting in a 25% increase in adjusted EBITDA and a 35% increase in adjusted operating profit.

Through the period we continued to invest in product development, with capital expenditure of \$18.2 million consistent with our plans and guidance. This investment will ensure a continued programme of new products and semiconductors. At the same time we have maintained close control of our finished good inventory while deploying capital to ensure that our stocks of memory and processor components were sustained to ensure resilience in the face of anticipated supply chain disruption.

As part of that resilience we have continued to focus on our cash resources. We reinforced our position in early 2025 by increasing our RCF to \$80 million and extending its term to 2029. At the end of 2025 we had \$28.1 million of cash and no debt.

\$ million	2025	2024	% change
<b>Revenue</b>	<b>323.2</b>	259.5	25%
<b>Gross profit</b>	<b>77.8</b>	63.2	23%
Gross margin (%)	<b>24.1%</b>	24.4%	-0.3ppt
Other income	<b>0.3</b>	—	100%
Adjusted R&D costs	<b>(11.2)</b>	(8.7)	(29%)
Adjusted administration costs	<b>(20.5)</b>	(17.3)	(18%)
<b>Adjusted EBITDA</b>	<b>46.4</b>	37.2	25%
Depreciation and amortisation	<b>(10.5)</b>	(10.7)	2%
<b>Adjusted operating profit</b>	<b>35.9</b>	26.5	35%
Employee share schemes	<b>(7.9)</b>	(6.0)	(32%)
Non-recurring costs	<b>—</b>	(2.9)	(100%)
<b>Statutory operating profit</b>	<b>28.0</b>	17.6	59%

## Sequential performance

	2025		2024	
	H1	H2	H1	H2
Direct units (m)	<b>2.7</b>	<b>3.1</b>	2.4	2.5
Royalty unit (m)	<b>0.9</b>	<b>0.9</b>	1.3	0.8
Total units (m)	<b>3.6</b>	<b>4.0</b>	3.7	3.3
Microcontroller units (m)	<b>4.5</b>	<b>3.9</b>	2.2	3.5
ASP (\$)	<b>46.4</b>	<b>47.0</b>	46.9	39.2
Gross profit per board (\$)	<b>8.0</b>	<b>9.5</b>	8.3	6.4
Accessory profit per board (\$)	<b>1.1</b>	<b>1.7</b>	1.1	1.3
Gross profit (\$m)	<b>33.2</b>	<b>44.6</b>	34.2	29.0
Adjusted EBITDA (\$m)	<b>19.4</b>	<b>27.0</b>	20.9	16.3

## Basis of preparation of the financial statement

These condensed consolidated financial statements are the second Annual Report for Raspberry Pi Holdings plc, the Group formed in May 2024. The comparator period for these statements ("2024") has been prepared as if the Group had been in place for the entirety of the 2024 financial year. For further information see Note 2 of the condensed consolidated financial statements.

## Unit sales of SBCs and compute modules and microcontrollers

Total board sales volumes increased by 9% compared to 2024 with growth in sales through the direct channel more than offsetting the decline in royalty sales.

Million units	2025	2024	% change
Unit sales in direct channel	5.8	4.9	18%
Unit sales through licensees	1.8	2.1	(14%)
<b>Total unit sales</b>	<b>7.6</b>	7.0	9%
Direct sales share of total	76%	70%	+6ppt
Licensee share of total	24%	30%	-6ppt
<b>Microcontroller units</b>	<b>8.4</b>	5.7	47%

Unit sales for the year improved across almost all product variants with particularly strong underlying growth in Raspberry Pi 3 and Raspberry Pi 4. There was underlying growth in Raspberry Pi 5 and growth enhanced overall by a full year of sales in 2025 of the 2GB and 16GB variants, launched during 2024, and the launch at the end of 2025 of Raspberry Pi 5 1GB.

Unit sales of compute modules were flat compared to 2024 which had a particularly strong Q1 as the last back orders of the 2023 supply chain shortage were fulfilled. Sales of Pico and Pi Zero were flat in total.

Royalty sales of Raspberry Pi 5 by our licensee, Premier Farnell, were lower year on year after a strong Q1 2024 when unit sales benefited from the recent launch of the Raspberry Pi 5. Sales of Raspberry Pi 4 increased substantially, in line with the increases in the direct sales channel.

Direct unit sales continued to grow sequentially each half from the start of 2024 as the excess inventory accumulated in channel in H1 2024 was utilised. Direct sales in H2 2025 were 15% up on H1 2025, with circa 33% growth in compute module and Raspberry Pi 4 sales, 32% growth of Raspberry Pi Zero 2 and flat sales of Raspberry Pi Pico, Raspberry Pi 5 and Raspberry Pi 3.

For the year, direct unit sales were 76% of total board unit sales in line with our expectations of a share of 70–80%.

Microcontroller unit sales, which include standalone product sales and those incorporated in other Raspberry Pi products such as Raspberry Pi Pico boards, increased by 47% to 8.4 million units (2024: 5.7 million units) aided by the new products RP2350 and Raspberry Pi Pico 2 and the continuing adoption of RP2040 including individual orders for over 100,000 units.

## Revenue

Revenue increased by \$63.7 million, or 25%, from \$259.5 million for 2024 to \$323.2 million for 2025. The split by revenue category was as follows:

\$ million	2025	2024	% change
Products	247.0	181.2	36%
Components	60.2	61.2	(2%)
Royalties	15.0	15.9	(6%)
Publishing	1.0	1.2	(17%)
	<b>323.2</b>	259.5	25%

Product revenues are generated by supplying SBCs, compute modules, accessories and semiconductors directly to Approved Resellers and original equipment manufacturers (“OEMs”). Royalties are earned per unit on products that Premier Farnell has manufactured (Pi 5) or sold (Pi 4) by licensing our designs and trademarks.

The increase in direct product sales largely relates to the 39% increase in sales of SBCs and compute modules combined with a 26% growth in the sale of accessories. Direct sales revenue grew substantially ahead of unit growth with ASP increasing 8%, furthermore unit growth was significant in the higher value Raspberry Pi 4 and Raspberry Pi 5 boards.

Component sales represent the sale of principally memory and processor chips, used in the manufacture of Raspberry Pi products for our licensee which are then sold to end customers.

## Average selling price (“ASP”) per board

ASP increased by \$3.4 from \$43.3 in 2024 to \$46.7 in 2025 due to an increase in the mix of higher-priced Raspberry Pi 5 boards, especially those with 8GB of memory (launched in Q4 2023), and more compute module 5s.

## Gross profit per board

\$ per board	2025	2024	% change
SBCs and compute modules	8.7	7.4	18%
Board share of gross profit	85%	82%	+3ppt
Accessory margin per board	1.4	1.2	17%

SBC and compute module gross profit per board increased by 18% from \$7.4 to \$8.7 due to the planned \$5 per unit reduction in the cost of the processor chip in the Raspberry Pi 5 for the initial 2 million processor chips and a shift in the mix of boards to higher-margin variants such as Raspberry Pi 4 and Raspberry Pi 5. In H2 2025 we have seen substantial and continuing increases in the cost of LPDDR4 memory used in our fourth and fifth-generation boards which represent approximately 65% of our unit sales in 2025. In making these boards we have utilised 24 million gigabytes of DRAM with an average of 4.9 GB per board, representing 21% of the cost of direct boards.

The gross profit of accessories increased by 28% to \$10.9 million. Of the gross profit from accessories, cameras accounted for 19%, displays 15%, power supplies 20%, SSD and SD memory 10% and AI HATs 10%, with cables, cases and compute module accessories being the majority of the remainder. Growth was notable in cameras, memory, AI HATs and displays, while flat in cases, cables, mice and kits. Overall, the accessory profit per board improved to \$1.4 per board, ahead of our target of \$1 per board.

## Gross profit

\$ million	2025	2024	% change
SBCs and compute modules	66.3	51.7	28%
Accessories	10.9	8.5	28%
Microcontrollers, publishing and others	0.6	3.0	(80%)
<b>Reported gross profit</b>	<b>77.8</b>	<b>63.2</b>	<b>23%</b>

Gross profit increased by \$14.6 million, or 23%, from \$63.2 million in 2024 to \$77.8 million in the current period due to higher unit sales and profit per board together with a strong performance from sale of accessories. The microcontroller results in 2024 benefited from a release of \$3.0 million of provisions made for an excess quantity of inventory in 2023.

Gross margin reduced to 24.1% (2024: 24.4%) as a result of the lower proportion of higher-margin licensee revenues.

## Adjusted research and development costs

Adjusted research and development expenses is a non-IFRS measure used by the Board and management to monitor the Group's performance.

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Research and development expenses</b>	<b>22.5</b>	17.9
Amortisation (net of capitalised amortisation)	(6.8)	(6.3)
Employee share schemes	(4.5)	(2.9)
<b>Adjusted research and development expenses</b>	<b>11.2</b>	8.7

Adjusted research and development expenses increased 29% to \$11.2 million for the year ended 31 December 2025 from \$8.7 million in the prior year. This reflects higher investment in a number of areas that do not meet our capitalisation requirements, including ongoing development of the software that runs on our boards and refinement of already launched products. The engineering cost of these items is therefore expensed. Total research and development expenses rose by 26% to \$22.5 million (2024: \$17.9 million). This includes share-based payments costs for engineering staff which are excluded from the adjusted measure as they are non-cash items and the charges are not comparable across periods due to fluctuations arising the listing process. Amortisation of launched product development costs, net of capitalised amounts, also increased to \$6.8 million (2024: \$6.3 million), reflecting a growing portfolio of product developments that are now in production.

## Adjusted administrative costs

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Administrative expenses</b>	<b>27.6</b>	27.7
Depreciation (net of capitalised depreciation)	(3.7)	(4.4)
Employee share schemes	(3.4)	(3.1)
Non-recurring costs	—	(2.9)
<b>Adjusted administrative expenses</b>	<b>20.5</b>	17.3

Adjusted administrative expenses increased to \$20.5 million for the year ended 31 December 2025 from \$17.3 million in the prior year principally due to higher staff costs. The strong results for the year led to higher performance-related payments compared to 2024 and account for much of the adjusted expense increase. Of the remainder, there was an increase in staff costs primarily due to the scaling of the Senior Management Team and a full year of higher listed company-related costs. Total administrative expenses dropped by 0.4% to \$27.6 million (2024: \$27.7 million), due to the absence of non-recurring costs.

## Depreciation and amortisation

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Depreciation of PPE and leased assets (net of capitalised depreciation)	3.7	4.4
Amortisation (net of capitalised amortisation)	6.8	6.3
<b>Depreciation and amortisation</b>	<b>10.5</b>	10.7

Depreciation of PPE and leased assets decreased by 16% to \$3.7 million in 2025 from \$4.4 million in 2024. Amortisation of intangibles charged to the income statement increased by 8% to \$6.8 million in 2025 from \$6.3 million in 2024, with a full year's amortisation of RP2350, launched in August 2024, offset by a reduced charge for semiconductor products after a review concluded that their useful lives should be increased to eight years.

Total depreciation and amortisation decreased by 2% to \$10.5 million in 2025 from \$10.7 million in 2024.

## Finance costs and finance income

Finance costs and income have stayed level year on year. Bank interest costs are unchanged year on year despite an increase in the facility from \$40 million to \$80 million due to a significant reduction in the margin charged. Included in finance costs is a charge of \$1.3 million (2024: \$1.2 million) being the unwinding of the imputed discount representing the time value of money on extended payables.

## Share-based payments

A share-based payment charge of \$8.7 million (2024: \$4.7 million) was recorded in the year together with a credit of \$0.8 million (2024: \$1.3million charge) in respect of changes in the provision for employment taxes payable on these schemes when they crystallise.

The Group has three main schemes in operation:

- a market value option scheme awarded in June 2024 which is in respect of options over 11 million shares and runs until June 2027, with the fair value of those options being spread over the three-year life. This scheme was intended to retain and motivate staff in the transition from private to public ownership. The charge in 2025 was \$5.2 million;
- a four-year RSU programme for staff, the first grant of which was made in 2025 with shares released evenly each quarter. The fair value (the market value of a share at date of award) of each quarter's tranche is charged evenly over the period to its date of release. The income statement charge is therefore at its greatest in the first year and reduces in subsequent years. It is intended that the similar awards will be made for each financial year. The charge in 2025 was \$2.8 million; and

- a three-year performance share scheme for the Senior Management Team based on a percentage of salary. The amount of award granted depends on achievement against EPS and TSR targets. The charge in 2025 was \$0.6 million.

A provision for employment taxes for each of these schemes is required based on the intrinsic value of the awards granted. The intrinsic value moves with the share price of the Group. As the share price at the end of 2025 was lower than the price at the end of the last reporting date or at the time of grant the provision has reduced, leading to a credit of \$0.8 million in the income statement.

### Non-recurring costs

Costs of \$2.9 million were charged to the income statement in 2024 in respect of fees and charges arising from the listing process which were incurred to prepare the business for operation after listing. There were no comparable costs in 2025 or other items identified as non-recurring.

### Taxation

The total effective tax rate for 2025 was 18.1%, lower than the 25.0% rate due to the treatment, after receiving the appropriate patent, of RP2040 and Raspberry Pi 5 profits under the UK patent Box regime and the release of tax provisions made in respect of taxation in 2024 after the receipt of further confirmatory external advice.

### Adjusted EBITDA and adjusted operating profit

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Operating profit</b>	<b>28.0</b>	17.6
Amortisation and depreciation	<b>10.5</b>	10.7
<b>EBITDA</b>	<b>38.5</b>	28.3
Employee share schemes	<b>7.9</b>	6.0
Non-recurring costs	—	2.9
<b>Adjusted EBITDA</b>	<b>46.4</b>	37.2
Amortisation and depreciation	<b>(10.5)</b>	(10.7)
<b>Adjusted operating profit</b>	<b>35.9</b>	26.5

Adjusted EBITDA for the year ended 31 December 2024 was \$46.4 million, up 25% on \$37.2 million in the prior year, primarily due to a 23% increase in gross profit offset only in part by a 23% increase in costs. Adjusted operating profit increased to \$35.9 million (2024: \$26.5 million), reflecting the growth in adjusted EBITDA and the flat depreciation and amortisation charges.

### Operating profit and profit after taxation for the period

Reported operating profit for the period was \$28.0 million (2024: \$17.6 million). The results for 2024 included \$2.9 million of one-off charges in respect of the IPO and charges for share-based payments that included the charges for the pre-IPO share-based payment scheme that ended in June 2024 and six months of costs in respect of post-IPO share schemes.

Profit after taxation was \$21.7 million (2024: \$11.7 million), an increase of \$10.0 million primarily reflecting the improvement in reported operating profit identified above.

### Earnings per share

Basic earnings per share for the year ended 31 December 2025 was 11.22 cents, up from 6.48 cents in the prior year, reflecting a higher profit after tax of \$21.7 million (2024: \$11.7 million). Diluted earnings per share was 11.00 cents (2024: 6.20 cents), with the impact of unvested employee share options increasing the weighted average number of shares to 197.3 million.

Adjusted basic earnings per share, which excludes the impact of non-recurring costs and share-based payments net of tax, was 14.48 cents (2024: 10.69 cents) an increase of 35% in line with the increase in adjusted operating profit.

### Dividends

No dividends have been proposed. The current medium-term expectation is that cash generated will be reinvested into the business.

## Cash flows from operations

\$ million	2025	2024
<b>Adjusted EBITDA</b>	<b>46.4</b>	37.2
Decrease/(increase) in inventories	11.2	(51.1)
(Increase)/decrease in trade and other receivables	(21.9)	3.5
(Decrease)/increase in trade and other payables	(34.9)	13.0
(Decrease)/increase in provisions	(0.2)	0.3
Non-recurring costs	—	(2.9)
Interest received	0.6	1.1
Tax credit received	9.4	—
Tax paid	(4.1)	(4.2)
Other non-cash movements	(0.3)	(0.1)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>6.2</b>	(3.2)

## Inventory

Inventory of finished goods decreased to \$31.2 million (2024: \$63.8 million) due to increasing demand for products and the adjustment of production to reflect the revised levels of demand. The inventory of boards is now at about one month of sales and is probably at the lowest possible level. Component inventory has increased by \$21.2 million with stock of memory held for future production being the principal cause of the increase. Stocks of processor chips have remained at similar levels to 2024. Taken with confirmed orders for delivery, the Group has sufficient supply of DRAM for the first half of 2026 across most memory variants and has sufficient memory to meet expected demand for almost the whole of 2026 in respect of Raspberry Pi 3, Raspberry Pi Zero and the 1GB and 2GB variants of Raspberry Pi 4, Raspberry Pi 5 and compute modules.

## Other working capital movements

Payables decreased compared to December 2024 as the payables with extended payment terms for memory and processor chip purchases were repaid. The extended payable balance at December 2024 was \$52.2 million. The increase in receivables reflected the higher level of product sales in December compared to a year earlier together with a high level of component sales in the last month of 2025.

Tax credit received comprises Research and Development Expenditure Credits received in 2025 in respect of the 2023 and 2024 financial years.

## Investing activities – capital expenditure

\$ million	2025	2024
Plant and equipment	1.5	1.2
Office and computer equipment	0.2	0.5
Leasehold improvements	0.1	0.5
<b>Tangible fixed assets</b>	<b>1.8</b>	2.2
Internally generated intangibles and intangibles in the course of development	20.6	26.6
Net other intangibles acquired	3.0	0.3
<b>Intangible assets</b>	<b>23.6</b>	26.9
<b>Leases</b>	<b>(0.1)</b>	—
<b>Total capital additions</b>	<b>25.3</b>	29.1
<b>Non-cash additions</b>	<b>(7.1)</b>	(6.0)
<b>Total cash capital expenditure</b>	<b>18.2</b>	23.1

Capital additions for the year to 31 December 2025 were \$25.3 million (2024: \$29.1 million), including expenditure on intangible assets of \$23.6 million (2024: \$26.9 million). This included work on new products and further semiconductor development for use in future boards. In addition to the external purchases the capital expenditure includes the capitalisation of engineering salaries of \$6.8 million (2024: \$8.1 million). Where development licences are purchased for use in new products, these are initially capitalised in intangibles and then amortised. The amortisation amounting to \$6.8 million (2024: \$6.0 million) and

depreciation of \$0.3 million (2024: \$nil) as they relate to the development of a new product are then capitalised in a product development asset for that project. Of its nature, this amortisation and depreciation is non-cash and is shown as non-cash additions.

### **Cash and facilities**

Cash at 31 December 2025 was \$28.1 million (31 December 2024: \$45.8 million). On 5 March 2025, a new Revolving Credit Facility with four banks on terms more suitable to a listed group and at substantially reduced pricing was entered into replacing the existing facility. Available funds were increased to \$80 million (2024: \$40 million) and with a term until 4 March 2029 (2024: 24 April 2027). The facility remains undrawn.

### **Related party transactions**

Controlling Shareholder definition and related party transactions are disclosed in Notes 25 and 26 of the condensed consolidated financial statements.

### **Post-balance sheet events**

As set out in Note 27, the Group has revised its long-term supply agreement with Broadcom to increase the overall value of processor chips purchased and extend the period of the commitment to five years from the three years previously remaining.

### **Richard Boulton**

Chief Financial Officer

30 March 2026

## Condensed consolidated statement of comprehensive income

For the year ended 31 December 2025

\$ million	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	3	323.2	259.5
Cost of sales		(245.4)	(196.3)
<b>Gross profit</b>		<b>77.8</b>	63.2
Other income		0.3	—
Research and development expenses	4	(22.5)	(17.9)
Administrative expenses	5	(27.6)	(27.7)
<b>Operating profit</b>		<b>28.0</b>	17.6
Finance income	8	1.0	1.1
Finance cost	8	(2.5)	(2.4)
<b>Profit before taxation</b>		<b>26.5</b>	16.3
Taxation charge	9	(4.8)	(4.6)
<b>Profit for the year</b>		<b>21.7</b>	11.7
<hr/>			
<b>Operating profit</b>		<b>28.0</b>	17.6
Amortisation and depreciation	7	10.5	10.7
<b>EBITDA</b>		<b>38.5</b>	28.3
Employee share schemes	24	7.9	6.0
Non-recurring costs	5	—	2.9
<b>Adjusted EBITDA</b>		<b>46.4</b>	37.2
<hr/>			
<b>Earnings per share (cents)</b>			
Basic	10	11.22	6.48
Diluted	10	11.00	6.20

The profit for the year is attributable to the shareholders of Raspberry Pi Holdings plc and is derived from continuing operations. There are no recognised gains or losses other than those presented above.

The accompanying notes are an integral part of these condensed consolidated annual financial statements.

## Condensed consolidated statement of financial position

As at 31 December 2025

Registration number 15557387

\$ million	Notes	At 31 December 2025	At 31 December 2024
<b>Assets</b>			
Intangible assets	11	83.2	73.2
Property, plant and equipment	12	3.9	4.5
Right-of-use assets	13	8.6	6.1
Other non-current assets		1.4	2.3
<b>Total non-current assets</b>		<b>97.1</b>	86.1
Inventories	14	145.3	156.7
Trade and other receivables	15	59.5	36.2
Current tax receivables	15	1.4	6.6
Cash and cash equivalents	16	28.1	45.8
Other financial assets	20	0.2	—
<b>Total current assets</b>		<b>234.5</b>	245.3
<b>Total assets</b>		<b>331.6</b>	331.4
<b>Liabilities</b>			
Trade and other payables	17	(60.6)	(96.1)
Provisions		(0.3)	(0.7)
Lease liabilities	18	(0.8)	(1.4)
<b>Total current liabilities</b>		<b>(61.7)</b>	(98.2)
Provisions		(0.9)	(1.9)
Other non-current liabilities		(6.9)	(6.0)
Lease liabilities	18	(8.1)	(4.8)
Deferred tax liabilities		(13.2)	(10.1)
<b>Total non-current liabilities</b>		<b>(29.1)</b>	(22.8)
<b>Total liabilities</b>		<b>(90.8)</b>	(121.0)
<b>Net assets</b>		<b>240.8</b>	210.4
<b>Shareholders' equity</b>			
Share capital	22	0.8	0.8
Share premium	22	34.0	32.4
Merger reserve	22	(221.9)	(221.9)
Share-based payments	22	10.6	2.7
Retained earnings	22	417.3	396.4
<b>Total shareholders' equity</b>		<b>240.8</b>	210.4

The accompanying notes are an integral part of these condensed consolidated annual financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2026. They were signed on its behalf by:

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

**Richard Boulton**  
Chief Financial Officer

## Condensed consolidated statement of changes in equity

For the year ended 31 December 2025

\$ million	Notes	Share capital	Share premium	Share-based payments	Merger reserve	Retained earnings	Total
<b>At 1 January 2024</b>		—	65.4	1.3	—	92.5	159.2
Profit for the year		—	—	—	—	11.7	11.7
Share-based payments	23	—	—	4.7	—	1.6	6.3
Shares issued		—	0.8	—	—	—	0.8
Share reorganisation	A	288.1	(66.2)	—	(221.9)	—	—
Share capital reduction	A	(287.3)	—	—	—	287.3	—
Share listing proceeds	B	—	40.0	—	—	—	40.0
Share issuance costs	B	—	(7.6)	—	—	—	(7.6)
Share scheme settlement		—	—	(3.3)	—	3.3	—
<b>At 31 December 2024</b>	22	0.8	32.4	2.7	(221.9)	396.4	210.4
Profit for the year		—	—	—	—	21.7	21.7
Share-based payments	23	—	—	8.7	—	(1.6)	7.1
Exercise of share awards		—	0.2	(0.8)	—	0.8	0.2
VAT recovered on IPO-related share issuance costs	C	—	1.4	—	—	—	1.4
<b>At 31 December 2025</b>	22	<b>0.8</b>	<b>34.0</b>	<b>10.6</b>	<b>(221.9)</b>	<b>417.3</b>	<b>240.8</b>

### A Share capital reorganisation and reduction

On 23 May 2024, Raspberry Pi Holdings plc acquired Raspberry Pi Ltd in a share-for-share exchange valued at \$288.1 million. A shareholder resolution reduced the share capital to its nominal value, increasing distributable earnings by \$287.3 million. Previous share capital and \$66.2 million of share premium were derecognised and recorded in merger reserve.

### B London Stock Exchange listing

On 11 June 2024, Raspberry Pi Holdings plc listed on the London Stock Exchange, issuing 11.2 million shares at £2.80 each. Net proceeds of \$32.4 million after costs of \$7.6 million were deducted from equity.

### C VAT recovered on IPO-related share issuance costs

In 2025, the Group recognised \$1.4 million of VAT on 2024 listing costs as recoverable following the VAT registration of the parent company. As the original costs were charged to share premium, the recoverable amount has been credited to the share premium account.

The accompanying notes are an integral part of these consolidated annual financial statements.

## Condensed consolidated statement of cash flows

For the year ended 31 December 2025

\$ million	Notes	Year ended 31 December 2025	Year ended 31 December 2024
<b>Cash flows from operating activities</b>			
Operating profit		28.0	17.6
Adjustments for:			
Amortisation and depreciation	7	10.5	10.7
Gain on lease assignment	13	(0.3)	—
Prepaid manufacturing charges		0.7	0.7
Employee share schemes	24	7.9	6.0
Research and development tax credit		(0.5)	(0.8)
Fair value gain on derivatives		(0.2)	—
(Decrease)/increase in provisions		(0.2)	0.3
(Increase)/decrease in trade and other receivables		(21.9)	3.5
Decrease/(increase) in inventories		11.2	(51.1)
(Decrease)/increase in trade and other payables		(34.9)	13.0
<b>Cash flows from operating activities</b>		<b>0.3</b>	<b>(0.1)</b>
Interest received	8	0.6	1.1
Tax credit received	15	9.4	—
Tax paid	15	(4.1)	(4.2)
<b>Net cash flows generated from/(used in) operating activities</b>		<b>6.2</b>	<b>(3.2)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(16.5)	(20.9)
Purchase of property, plant and equipment	12	(1.8)	(2.2)
Lease incentive received	13	0.3	—
Capitalised initial direct costs on leases		(0.2)	—
<b>Net cash used in investing activities</b>		<b>(18.2)</b>	<b>(23.1)</b>
<b>Cash flows from financing activities</b>			
Cash proceeds from IPO share issues		—	40.0
Share issuance costs of IPO shares		—	(7.6)
Cash proceeds from share issues (from pre-IPO)		—	0.8
Proceeds from share-based awards exercises		0.2	—
Repayment of principal on lease liabilities	18	(1.1)	(2.2)
Payment of interest on lease liabilities	18	(0.4)	(0.4)
Cash paid for lease assignment		(0.5)	—
Settlement of IP licence payable		(3.0)	—
Interest and other financing charges	8	(1.0)	(0.8)
<b>Net cash (used in)/generated from financing activities</b>		<b>(5.8)</b>	<b>29.8</b>
Net (decrease)/increase in cash and cash equivalents		(17.8)	3.5
Cash and cash equivalents at beginning of period	16	45.8	42.2
Effect of exchange rates on cash and cash equivalents		0.1	0.1
<b>Cash and cash equivalents</b>	16	<b>28.1</b>	<b>45.8</b>

The accompanying notes are an integral part of these condensed consolidated annual financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2026. They were signed on its behalf by:

**Dr Eben Upton CBE FEng**

**Richard Boulton**

## **Notes to the condensed consolidated financial statements**

For the year ended 31 December 2025

### **1 General information**

Raspberry Pi Holdings plc (the “Company”) 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 the company number is 15557387.

### **2 Basis of presentation and accounting policies**

Explained below are the key accounting policies of Raspberry Pi Holdings plc and all its subsidiaries (the “Group”).

#### **2.1 Basis of preparation**

The condensed set of financial information presented for the years ended 31 December 2025 and 2024 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2024 is derived from the statutory accounts of Raspberry Pi Holdings plc for that year which have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) of the Companies Act 2006. The financial information for the year ended 31 December 2025 and the comparative information have been extracted from the audited consolidated financial statements for the year ended 31 December 2025 prepared under IFRS, which have not yet been approved by the shareholders and have not yet been delivered to the Registrar. The report of the auditors on the consolidated financial statements for 2025 was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated financial statements are prepared in accordance with UK-adopted International Accounting Standards (“IAS”), with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and with the requirements of the Companies Act 2006 (the “Act”).

These condensed consolidated financial statements of Raspberry Pi Holdings plc comprise the results of Raspberry Pi Holdings plc, Raspberry Pi Ltd, Raspberry Pi North America Inc, Raspberry Pi Ireland Ltd and the Raspberry Pi Employee Benefit Trust (the “Group”).

These condensed consolidated financial statements have been prepared under the historical cost convention unless otherwise stated. The Group’s presentation currency is US Dollars, rounded to the nearest point million. Since all material subsidiaries have US Dollars as their functional currency, there is no foreign exchange upon consolidation and hence no cumulative translation reserve.

#### **2.2 Capital reorganisation**

On 23 May 2024 Raspberry Pi Holdings plc acquired the entire shareholding of Raspberry Pi Ltd for \$288.1 million by way of a share-for-share exchange agreement. This did not constitute a business combination under IFRS 3 “Business Combinations” as both entities were under common control and Raspberry Pi Holdings plc as the listing vehicle did not constitute a business as defined by IFRS 3.

No changes were made to the underlying book values of Raspberry Pi Ltd and the Group’s reserves were adjusted to reflect the statutory share capital of Raspberry Pi Holdings plc, with difference recorded in a merger reserve.

### **2.3 Basis of consolidation**

The condensed consolidated financial statements incorporate the financial statements of Raspberry Pi Holdings plc (the “Company”) and its subsidiary undertakings. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### **2.4 Going concern**

The condensed consolidated financial statements have been prepared on a going concern basis, assuming the Group can meet its liabilities as they fall due. This assessment is supported by access to the Revolving Credit Facility (“RCF”), and strong relationships with key customers and suppliers.

**Profitability and financial position:** The Group reported a profit of \$21.7 million for the year. Net current assets were \$172.8 million, and net current financial assets totalled \$33.1 million.

**Extension of Revolving Credit Facility:** On 5 March 2025, the RCF was extended, increasing available funds to \$80.0 million (2024: \$40.0 million) and extending the term to 4 March 2029 (2024: 24 April 2027). The facility remains undrawn.

**Liquidity and cash flow forecasts:** The Board’s cash flow forecasts and projections confirm the Group can operate within its cash and committed facilities for the period to 30 April 2027. Available liquidity, including both cash and committed facilities, has been considered in this assessment. The Directors have deemed this period to be appropriate for the going concern assessment. No plausible events or conditions beyond the assessment period that may cast significant doubt on the Group’s ability to continue as a going concern have been identified.

**Sensitivity analysis and stress testing:** Sensitivities applied to forecasts include a 50% to 75% reduction in higher density (8GB to 16 GB) LPDDR4 SBC and Compute Module products with no mitigations other than executive variable pay applied. Even under this scenario, the Group expects to meet its funding needs for 2026 and 2027, confirming its ability to continue operations.

**Reverse stress testing:** A reverse stress test modelled the sales decline required to exhaust liquidity and breach banking covenants. This scenario was deemed highly unlikely.

**Conclusion:** Based on these considerations, the Board concludes the Group can operate within its committed facilities and cash resources for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial statements.

### **2.5 Critical accounting judgements and estimates**

In preparing these condensed consolidated financial statements, critical judgements in the application of accounting policies can have a significant effect on the financial results. Any changes in critical estimates and assumptions made could materially impact the amounts of assets, liabilities, revenue and expenses reported next year as actual amounts and results could differ from those estimates or those estimates could change in future.

#### **2.5.1 Critical judgement: Capitalisation of internal and external development costs**

We prioritise in-house development with a small, highly skilled engineering team, releasing new core hardware every three to four years. During the year, our investment included the finalisation of the Raspberry Pi 500+, the ongoing development of Raspberry Pi 6 and related semiconductor products and further microcontroller variants.

The Group exercises significant judgement in determining whether internal and external development costs for pipeline products meet the capitalisation criteria within IAS 38 “Intangible Assets”. Costs are capitalised only when they are directly attributable and reliably measurable, and relate to future new products that are considered technically feasible and commercially viable and supported by the necessary skilled resources and internal commitment to completion. Forecasted profit margins must exceed capitalised costs.

Management makes judgements when these capitalisation criteria are met and continue to be met for active pipeline development projects. The costs associated with the Group’s efforts to develop new products are made up of directly attributable internal employee costs for those working on development, costs of external materials and services consumed in development and amortisation of licences (software or designs) used directly in development as per below.

\$ million	2025 Capitalised	2025 Total	%	2024 Capitalised	2024 Total	%
Internal costs	6.8	20.4	33%	8.1	17.6	46%
External costs	6.7	8.8	76%	12.5	14.6	86%
<b>Directly attributable</b>						
<b>R&amp;D – cash</b>	<b>13.5</b>	<b>29.2</b>	<b>46%</b>	20.6	32.2	64%
Amortisation	6.8	8.2	83%	6.0	7.4	81%
Depreciation	0.3	1.3	23%	—	—	—
<b>Total directly attributable R&amp;D</b>	<b>20.6</b>	<b>38.7</b>	<b>53%</b>	26.6	39.6	67%

Overall R&D investment has decreased, with total costs falling from \$39.6 million in 2024 to \$38.7 million in 2025. Capitalisation of R&D costs in 2025 is 53% of total costs capitalised (2024: 67%). The value of costs being capitalised exceeds amortisation by \$12.4 million (2024: \$19.2 million).

All costs associated with the research phase of projects are expensed as incurred. Any development costs relating to maintaining and fixing bugs in the software are also expensed as incurred. Capitalised employee costs of engineers exclude any share-based payments and termination payments as they are not considered directly attributable to the development projects.

### 2.5.2 Critical judgement: Identification of cash-generating units ("CGUs") for impairment testing of pipeline development costs

Identifying CGUs is a critical step in the impairment review and can have a significant impact on its results. The objective of identifying CGUs is to identify the smallest identifiable group of assets that generates largely independent cash inflows. CGUs are identified at the lowest level to minimise the possibility that impairments of one asset or group will be masked by a high-performing asset.

The Group has two main CGUs: Pi 5 and semiconductors. The Group has assessed that projects within each CGU reflect significant interdependencies, where designs and outputs are shared and integrated, making individual cash flows inseparable without arbitrary assumptions. The recoverability of intangible assets arising from pipeline development activities is materially all part of the semiconductor CGU. The recoverable amount of the semiconductor CGU is assessed based on the collective earnings of all products in the CGU. The remaining products, including cameras and other accessories, do not share the same level of interdependency and are assessed individually for impairment purposes.

### 2.5.3 Critical estimate: Useful economic lives ("UEL") of intangible assets

The Group determines the UEL of intangible assets at initial recognition and reviews them at each reporting date. During the year, the useful life of on-market semiconductors was revised from six to eight years based on updated assessments of expected future use and economic benefits. As a result, the annual amortisation charge decreased by \$1.4 million. The historical cost remains unchanged and the remaining cost is now spread over a longer period.

### 2.5.4 Critical estimate: Net realisable value of inventory

The valuation of inventory is a significant area of estimation uncertainty for the Group due to the rapid pace of technological advancements and the risk of product obsolescence inherent in the computer industry. Inventory is measured at the lower of cost and net realisable value, which requires significant management judgement and estimation.

In determining net realisable value, the Group evaluates several factors, including market demand and pricing trends, assessing the likelihood of future sales and the impact of declining prices on older inventory. Technological obsolescence is also considered, with management assessing whether inventory remains relevant in light of new product launches and advancements. Additionally, expected selling costs, such as promotional discounts or clearance pricing, are factored into the valuation.

The Group reviews inventory balances on a regular basis, taking into account recent sales trends, the ageing of inventory, and the condition of items, including damaged, slow-moving or obsolete stock. Future sales projections over a three-year period, based on management-prepared financial budgets, are used to support these assessments. For the year ended 31 December 2025, the total inventory provision was \$6.6 million (2024: \$6.2 million). Given the inherent uncertainties, changes in market conditions, technological developments, or consumer preferences could materially impact the carrying value of inventory.

### **2.5.5 Critical estimate: Taxation**

Accounting for taxation requires significant judgement in determining taxable profit, tax bases, and the recognition of deferred tax assets and liabilities. Key estimates include interpreting complex tax regulations, assessing potential challenges from tax authorities, and evaluating the recognition of Research and Development Expenditure Credit (“RDEC”) claims. Determining the appropriate RDEC claim involves significant judgement in identifying qualifying R&D activities and expenditures. Uncertainties in these areas can lead to variations between estimated and actual credits received. The Group maintains detailed records of R&D activities and consults with external tax advisers to ensure compliance with legislation. Additionally, changes in facts and circumstances between the preparation of these accounts and the final tax submission, expected in approximately nine months, may impact the final tax position. For the year ended 31 December 2025, the Group is eligible to claim the benefit of the patent box regime on income generated from the sale of products that incorporate technology for which the Group received a patent in 2025. Judgement is required to determine the income and costs related to the eligible income. The risk of error has been mitigated through the use of external experts with detailed knowledge of the patent box regime. Any changes in tax laws or interpretations thereof could materially affect future amounts recognised. Whilst there are a variety of possible outcomes management believes that it is reasonably plausible that the actual tax claims submitted could vary to the accounting estimate by approximately \$1.5 million in any accounting period.

### **2.6 Critical accounting judgements and estimates (relating to the IPO)**

In the prior year, which included the Group’s IPO, several non-recurring accounting judgements were required. For 2025, we have retained only those judgements that remain relevant to understanding the 2024 comparative information.

#### **2.6.1 Critical judgement: Determination of the grant date share price and option life for IPO share awards**

On 11 June 2024, employee share awards were approved and finalised prior to the Company’s Admission to the London Stock Exchange. IFRS 2 requires that the fair value of share-based payments is measured at the grant date. Management determined the offer price of £2.80 (\$3.56) as the appropriate share price for valuation at that date. The grant date is defined under IFRS 2 as the date when both the Company and participants have a mutual understanding of the key terms of the award, which was confirmed to employees prior to Admission.

The fair value of the IPO awards was therefore measured using this offer price. Subsequent increases in share price would have significantly changed the valuation if a later date were used. The resulting IFRS 2 charge is recognised over the three-year vesting period.

Management also estimates the expected option life, applying an average of five years based on benchmarking and employee attrition assumptions.

For subsequent share awards, the same valuation approach is applied, using the opening share price on the day of grant as the reference for determining fair value.

#### **2.6.2 Critical judgement: Classification of transaction costs associated with the issue of shares**

The Group incurred \$10.3 million in costs related to the IPO, with \$7.6 million deducted from share premium, and \$2.9 million expensed as non-recurring administrative costs. Costs were classified based on whether they directly related to new share issuance of the broader listing process. Directly attributable costs, such as underwriting, brokerage and advisory fees, were deducted from equity, while expenses for wider listing requirements, such as corporate finance and costs of legal support, were expensed.

At the time the costs were incurred, only a limited recovery of input VAT was available, so the full expense was charged to share premium. During 2025, it was possible to reclaim \$1.4 million of VAT from HMRC. As the original costs were charged to share premium, the amounts recoverable were also accounted for as an increase in share premium.

## **2.7 Alternative performance measures ("APMs")**

Alternative performance measures ("APMs"), which are used in these financial statements, are also used by the Board and management for planning and reporting. These measures are also used in discussions with the investors. APMs are not displayed with more prominence, emphasis or authority than IFRS measures.

Adjusted EBITDA is a non-IFRS measure comprising operating profit adding back amortisation and depreciation, share-based payment charges and non-recurring items.

Adjusted operating profit is a non-IFRS measure comprising operating profit adding back share-based payment charges and non-recurring items.

Adjusted research and development expense is a non-IFRS measure comprising research and development expense adjusted for amortisation, share-based payment charges and non-recurring items. Share-based payments are excluded as they are paid for by shareholders' dilution and the charges are not comparable due to fluctuations around the listing process.

Adjusted administrative expense is a non-IFRS measure comprising administrative expenses adjusted for depreciation, share-based payment charges and non-recurring items. Share-based payments are excluded as they are paid for by shareholders' dilution and the charges are not comparable due to fluctuations around the listing process.

Non-recurring items are presented whenever significant expenses are incurred or income is received because of events considered to be outside the normal course of business, where the unusual nature and expected infrequency merit separate presentation to assist comparisons with previous years.

To arrive at adjusted results, certain adjustments are made for normalised and non-recurring items that are individually significant, and which could, if included, distort the understanding of the performance of the year and the comparability between periods.

## **2.8 Accounting policies and new and amended accounting standards**

The set of condensed consolidated financial information has been prepared using accounting policies consistent with those in Raspberry Pi Holdings plc in 2024 except for the following standards, amendments and interpretations which have been adopted from 1 January 2025.

### **New or revised standards or interpretations**

From 1 January 2025, Amendments to IAS 21 "Lack of Exchangeability" became effective for the Group's consolidated financial statements.

The amendments introduce requirements for assessing currency exchangeability and estimating a spot exchange rate when observable rates are unavailable.

Management assessed all currencies in which the Group transacts and concluded that no lack of exchangeability existed during the year. Accordingly, the amendments had no material impact on the Group's financial statements.

### *Standards, amendments and interpretations not yet effective and not early adopted*

At the date of authorisation of these condensed consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been adopted early by the Group and no interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

The Group has not early adopted amendments to IFRS 9 relating to derecognition of certain financial assets and liabilities and assessment of contractual cash flows characteristics. The Group is assessing the potential impact of these amendments which will be applied from 1 January 2026.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 "Presentation of Financial Statements". Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Group is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's condensed consolidated financial statements.

### 3 Revenue

The total revenue for the Group derives from its principal activity: the development, marketing, manufacture and sale of cost-effective programmable computing devices.

\$ million – by category	Year ended 31 December 2025	Year ended 31 December 2024
Products	247.0	181.2
Components	60.2	61.2
Royalties	15.0	15.9
Other	1.0	1.2
	<b>323.2</b>	259.5

\$ million – by customer location	Year ended 31 December 2025	Year ended 31 December 2024
UK	121.8	118.4
Europe	64.3	48.1
Americas	76.1	49.9
Asia Pacific	59.2	40.8
Rest of the World	1.8	2.3
	<b>323.2</b>	259.5

Included within Americas region is \$69.0 million (2024: \$44.2 million) of revenue which is attributable to the United States of America, representing the Group's largest end market by revenue.

Product revenues are recognised at the point in time when single board computers, compute modules, accessories or semiconductors are delivered to Approved Resellers or OEMs, establishing an enforceable right to payment. Raspberry Pi generates revenue from selling individual components, including the RP2040 microcontroller, RP1 I/O controller and memory chips, primarily to OEMs and for manufacturing by licensees, which also earns royalties. Royalties are earned per unit on products organised for manufacture or sale through licensing of designs and trademarks. Revenue is recognised on an accruals basis in accordance with the agreement when the subsequent sale or usage (point of manufacture) event occurs, in line with the IFRS 15 royalty exemption from estimating variable consideration.

The Group generated \$83.2 million or 26% (2024: \$69.5 million or 27%) of revenues from a major electronic component distributor. Sales to the contract manufacturer accounted for \$18.8 million or 6% of total revenues (2024: \$36.9 million or 14%). The Group operates as a single segment, in accordance with IFRS 8 "Operating Segments", aligned with its primary activity. The data utilised by the Group's Chief Operating Decision Makers for resource allocation and performance evaluation is provided on a consolidated basis and therefore no segment analysis is included. All material non-current assets are located in the United Kingdom.

#### 4 Research and development expenses

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Employee costs of internal engineers	15.9	14.4
Employee share schemes	4.5	3.2
Costs of external services and materials	8.8	14.6
Intangibles amortisation	13.6	12.3
Capitalised amortisation	(6.8)	(6.0)
Capitalised research and development costs	(13.5)	(20.6)
	<b>22.5</b>	17.9

## 5 Administrative expenses

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Employee costs	11.5	8.7
Employee share schemes	3.4	2.4
Other employee-related costs	2.1	2.2
Professional fees	3.7	3.2
Depreciation	3.7	4.4
Property-related costs	1.4	1.2
Other expenses	1.8	2.7
Non-recurring costs	—	2.9
	<b>27.6</b>	<b>27.7</b>

Non-recurring items are presented whenever significant expenses are incurred or income is received because of events considered to be outside the normal course of business, where the unusual nature and expected infrequency merits separate presentation to assist comparisons with previous years. For the year ended 31 December 2024, non-recurring costs consisted of IPO-related costs of \$2.9 million. No such costs were incurred in 2025. Professional fees include audit and interim review services obtained from the Group auditor, Grant Thornton UK LLP. Details of its fees are as follows:

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Fees payable to the Group auditor for:		
<ul style="list-style-type: none"> <li>• the audit of the parent entity and consolidated financial statements</li> </ul>	0.1	0.2
<ul style="list-style-type: none"> <li>• the audit of subsidiary pursuant to legislation</li> </ul>	0.6	0.4
Fees payable to the Group auditor for other services:		
<ul style="list-style-type: none"> <li>• non-audit-related services – procedures over the rights issue prospectus</li> </ul>	—	1.2
<ul style="list-style-type: none"> <li>• audit-related services – review procedures over interim accounts</li> </ul>	0.1	0.2
	<b>0.8</b>	<b>2.0</b>

## 6 Employee information

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Wages and salaries	22.8	19.0
Social security costs	2.0	2.0
Pension costs	1.8	1.4
Share-based payments	8.7	4.7
Employee costs capitalised	(6.8)	(8.1)
	<b>28.5</b>	<b>19.0</b>

Further details on share-based payments are provided in Note 23 and employee costs capitalised in Note 2.5.1.

	Year ended 31 December 2025	Year ended 31 December 2024
Average headcount		
Engineering	67	66
Corporate and administrative	22	16
Communications and publishing	14	16
Sales and product management	24	26
Retail	7	10
	<b>134</b>	<b>134</b>

### **Directors' remuneration**

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Remuneration	2.4	2.1
Pension contributions to defined contribution pension scheme	0.1	—
Share-based payments	0.7	0.2
	<b>3.2</b>	<b>2.3</b>

The pension contribution for Directors in 2024 was \$48,700. This figure is not shown in the table above as the figures are presented in millions.

Total remuneration of the highest paid Director in 2025 amounted to \$1.3 million (2024: \$0.7 million). In both 2025 and 2024, there was one Director who was a member of the defined contribution scheme.

The aggregate Directors' remuneration above includes fees paid to Non-Executive Directors. The employee headcount and staff cost disclosures exclude Non-Executive Directors, who are engaged under letters of appointment rather than as employees. Further details of Directors' remuneration are set out in the Directors' Remuneration Report.

### **7 Depreciation and amortisation**

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Depreciation of property, plant and equipment	2.4	2.8
Depreciation of right-of-use assets	1.6	1.6
Amortisation of intangible assets	13.6	12.3
Plant and equipment depreciation capitalised	(0.3)	—
Intangible amortisation capitalised	(6.8)	(6.0)
	<b>10.5</b>	<b>10.7</b>

### **8 Net financing items**

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Finance income</b>		
Bank and other interest receivable	1.0	1.1
<b>Finance costs</b>		
Bank interest payable and similar charges	(1.0)	(0.8)
Interest on lease liabilities	(0.4)	(0.4)
Unwinding of discounts	(1.3)	(1.2)
Foreign exchange	0.2	—
	<b>(2.5)</b>	<b>(2.4)</b>
<b>Net financing items</b>	<b>(1.5)</b>	<b>(1.3)</b>

As the Group has no external debt, interest charges primarily relate to RCF arrangement and non-utilisation fees. Interest income is generated from overnight money market deposits and from amounts receivable from HMRC. Interest on lease liabilities and unwinding of discounts on extended trade payable terms arise in accordance with leases and financial instrument accounting rules.

## 9 Taxation charge

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Current tax:</b>		
Current taxation charge	4.9	3.3
Adjustments in respect of previous periods	(1.8)	0.1
	<b>3.1</b>	<b>3.4</b>
<b>Deferred tax:</b>		
Deferred taxation charge	1.4	1.6
Adjustment in respect of previous periods	0.3	(0.4)
	<b>1.7</b>	<b>1.2</b>
<b>Taxation charge for the year</b>	<b>4.8</b>	<b>4.6</b>

The charge for the year can be reconciled to the profit per the Condensed Consolidated Statement of Comprehensive Income as follows:

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
Profit before taxation	26.5	16.3
Corporation tax at an effective rate of 25% (2024: 25%)	6.6	4.1
Effect of:		
Adjustments in respect of prior years	(1.5)	(0.3)
Expenses not deductible for tax purposes	—	0.8
Foreign exchange	(0.5)	—
Share-based payments	1.6	—
Effect of group relief/other reliefs	(1.4)	—
<b>Taxation charge for the year</b>	<b>4.8</b>	<b>4.6</b>

In 2025, the total effective tax rate was 18.1%, which is lower than the underlying rate of 25%. The difference from the statutory rate of 25% is due to four factors. The relief for share-based payments differs for accounting and tax purposes, and that resulted in an increase in the effective tax rate by 6.1%. There were three factors reducing the effective tax rate. Changes in estimates for prior year taxation resulted in a net reduction of 5.7%. For 2023 there was some uncertainty of treatment for an item in the tax return and a provision was made accordingly. In 2025, third party, expert advice was received confirming the technical position taken, such that the provision was no longer necessary. In 2025 a patent was granted, allowing the Group to claim certain tax reliefs, reducing the effective rate by 5.7%. Lastly, there was a reduction of 1.9% owing to foreign exchange differences. In 2024 effective tax rate was 28.2%, higher than the underlying 25%, which was mainly due to \$2.9 million in non-recurring IPO-related costs, which were largely non-deductible for tax purposes.

## 10 Earnings per share ("EPS")

**Basic EPS:** Profit for the period attributable to owners divided by the weighted average number of ordinary shares in issue, excluding unvested shares held by the Employee Benefit Trust, unless specifically allocated or cancelled.

**Diluted EPS:** Adjusts the weighted average number of shares to include all potentially dilutive shares, such as share options.

**Adjusted EPS:** Is a non-IFRS alternative performance measure which adjusts basic EPS and diluted EPS for the non-recurring items and share-based payments applied in computing adjusted EBITDA.

Earnings per share	2025	2024
<b>Profit after tax (\$ million)</b>	<b>21.7</b>	11.7
Weighted average number of shares in issue during the period	<b>193,477,224</b>	180,669,421
Shares held in Employee Benefit Trust	<b>(155,226)</b>	(155,226)
<b>Total number of shares for basic EPS</b>	<b>193,321,998</b>	180,514,195
<b>Basic earnings per share (cents)</b>	<b>11.22</b>	6
Dilutive effect of legacy performance shares scheme	—	7,638,832
Dilutive effect of post-IPO schemes	<b>3,935,355</b>	546,798
<b>Weighted average dilutive number of shares during the period</b>	<b>197,257,353</b>	188,699,825
<b>Diluted earnings per share (cents)</b>	<b>11.00</b>	6.20

Adjusted earnings per share	2025	2024
<b>Profit after tax (\$ million)</b>	<b>21.7</b>	11.7
Non-recurring costs – disallowable for tax (\$ million)	—	2.9
Employee share schemes (\$ million)	<b>7.9</b>	6.0
Tax on employee share schemes (\$ million)	<b>(1.6)</b>	(1.3)
<b>Adjusted profit after tax (\$ million)</b>	<b>28.0</b>	19.3
<b>Total number of shares for basic EPS</b>	<b>193,321,998</b>	180,514,195
<b>Adjusted basic earnings per share (cents)</b>	<b>14.48</b>	10.69
<b>Weighted average dilutive number of shares in the period</b>	<b>197,257,353</b>	188,699,825
<b>Adjusted diluted earnings per share (cents)</b>	<b>14.19</b>	10.23

## 11 Intangible assets

\$ million	On-market development	Pipeline development	Other acquired intangibles	Total
<b>Cost</b>				
At 1 January 2024	25.7	21.2	21.1	68.0
Additions	—	26.6	0.3	26.9
Transfers	13.3	(13.3)	—	—
At 31 December 2024	39.0	34.5	21.4	94.9
Additions	—	20.6	3.0	23.6
Transfers	1.2	(1.2)	—	—
<b>At 31 December 2025</b>	<b>40.2</b>	<b>53.9</b>	<b>24.4</b>	<b>118.5</b>
<b>Amortisation</b>				
At 1 January 2024	(7.9)	—	(1.5)	(9.4)
Charge	(4.9)	—	(7.4)	(12.3)
At 31 December 2024	(12.8)	—	(8.9)	(21.7)
Charge	(5.4)	—	(8.2)	(13.6)
<b>At 31 December 2025</b>	<b>(18.2)</b>	<b>—</b>	<b>(17.1)</b>	<b>(35.3)</b>
<b>Net book value:</b>				
<b>At 31 December 2025</b>	<b>22.0</b>	<b>53.9</b>	<b>7.3</b>	<b>83.2</b>
At 31 December 2024	26.2	34.5	12.5	73.2

To maintain market leadership and drive growth, we develop next generation technology platforms that embody our brand values of performance, price, quality and ease of use. New core hardware is released every three to four years, with software and documentation support setting Raspberry Pi apart from competitors.

We prioritise in-house development with a skilled engineering team of 67 (2024: 66), focused on successors to Raspberry Pi 5, semiconductor chips, new computer boards and accessories. Internal and external development costs are capitalised when the criteria outlined in critical accounting judgement Note 2.5.1 are met.

**On-market development** is amortised from its market launch date over a life of three years for accessories, four years for SBCs, and eight years for microcontrollers. The useful economic life of microcontrollers was extended from six years as described in Note 2.5.3. Impairment testing is performed only when an internal or external impairment trigger is identified.

**Pipeline development** in progress is not amortised but instead tested annually for impairment. Historically, most capitalised projects have been commercialised, at which point they are transferred to on-market projects and thereafter amortised as explained above.

The **other acquired intangibles** category primarily relates to licences but also includes any externally acquired intangible assets not already captured in the above categories. Licences, particularly those related to technical designs, are amortised over the length of the licence.

### **Impairment testing**

Impairment testing is performed at the CGU level in line with IAS 36, and as explained in the critical estimate on CGU determination in Note 2.5.2.

Management has determined that the assets associated with the Pi 5 product group and the semiconductor product group each constitute individual CGUs representing the lowest level at which impairment can be assessed.

The projected cash flows arising from the CGUs are forecast over the expected product demand lifecycle, which may extend up to 20 years from the launch date, and which may exceed the assets' estimated useful economic life ("UEL") of three to eight years. Beyond the period of peak performance, cash flows are projected on a declining basis of up to 30% per annum until management considers the horizon to be reasonable. This is consistent with the critical estimate on CGU determination outlined in Note 2.5.2.

**On-market developments** were assessed for the following impairment triggers:

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External impairment triggers: Market decline, economic changes, increased competition, technological obsolescence, interest rate shifts, and legal or political factors.

Internal impairment triggers: Underperformance, asset utilisation changes, physical damage, restructuring, reduced useful life, and licensing or contractual issues.

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For the year ended 31 December 2025, an impairment trigger was identified for the Pi 5 CGU due to current and increasing memory prices, which began rising in the second half of 2025. Accordingly, management performed an impairment assessment of the CGU. No other impairment triggers were identified. The assessment was performed solely in response to memory price increases.

As development projects must undertake a mandatory impairment test, this is performed at the CGU level as explained in the critical estimate on CGU determination in Note 2.5.2.

Additionally, various other/accessory items are evaluated at the project unit item level, as these products are generally less dependent on core technology capabilities than the core development platforms. No impairment indicator was identified for these products.

### ***Semiconductor CGU***

In accordance with IAS 36, impairment testing for projects under development includes estimated future cash outflows required for completion, even if not yet capitalised – an exception to the general principle. Cash flows have been projected using a three-year forecast, being the period for which detailed projections are available. Cash flows are initially projected on a growth basis before declining at up to 30% per annum once peak performance has been reached, until management considers the horizon to be reasonable. The total projection period therefore extends beyond five years in aggregate. Cash flows are projected based on expected revenue and cost patterns for the products. In the case of semiconductors developed for use in future products, management has based its 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 17.3% (2024: 15.7%) 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. The assessment indicated significant headroom and no impairment has been recognised. Management does not consider that any reasonably possible change, or combination of changes, in key assumptions including discount rates, cash flow projections, and demand decline rates, would result in an impairment. The impact of external risks, including supply chain uncertainties and market fluctuations, has been considered. The assumptions used align with similar product lifecycles, though uncertainties related to climate change risks, enhancement-related cash flows, and extended forecast periods require ongoing assessment. Given the robust development portfolio, the semiconductor CGU remains well positioned for future growth. However, as at the date of these financial statements, there remains a high level of uncertainty regarding long-term market conditions, technological advancements and regulatory changes.

The Group continues to monitor potential risks in supply chain logistics, intellectual property regulations and environmental compliance, ensuring that future developments align with the Group's strategic objectives and IAS 36 requirements.

### ***Pi 5 CGU***

An impairment assessment was performed for the Pi 5 CGU due to an identified trigger from rising memory prices, which was not present in 2024. Cash flows were based on forecasts over a three-year budget period, with the model extending to a five-year horizon. Beyond the budget period, future pipeline development has been modelled based on expected sales over the product lifecycle, with cash flows projected on a declining basis of up to 30% beyond the period of peak revenues. Budgeted gross profit has been used, with revenue projections reflecting management's expectations for unit sales volumes and ASP.

A pre-tax discount rate of 17.3% has been applied, reflecting the time value of money and CGU-specific risks. While rising memory prices present an identified risk, the Group increased its ASP in line with cost growth, maintaining gross profit per board at historic levels.

Management's assessment considered the interdependencies between memory costs, unit sales volumes and margin when stress-testing key assumptions. Management does not consider that any reasonably possible change, or combination of changes, in key assumptions would result in an impairment. Following the assessment, management concluded that the recoverable amount of the Pi 5 CGU exceeded its carrying amount and no impairment was recognised.

## 12 Property, plant and equipment

\$ million	Leasehold improvements	Plant and equipment	Office and computer equipment	Total
<b>Cost</b>				
At 1 January 2024	1.7	8.8	2.5	13.0
Additions	0.5	1.2	0.5	2.2
At 31 December 2024	2.2	10.0	3.0	15.2
Additions	0.1	1.5	0.2	1.8
<b>At 31 December 2025</b>	<b>2.3</b>	<b>11.5</b>	<b>3.2</b>	<b>17.0</b>
<b>Depreciation</b>				
At 1 January 2024	(0.2)	(6.4)	(1.3)	(7.9)
Charge	(0.5)	(1.7)	(0.6)	(2.8)
At 31 December 2024	(0.7)	(8.1)	(1.9)	(10.7)
Charge	(0.4)	(1.3)	(0.7)	(2.4)
<b>At 31 December 2025</b>	<b>(1.1)</b>	<b>(9.4)</b>	<b>(2.6)</b>	<b>(13.1)</b>
<b>Net book value:</b>				
<b>At 31 December 2025</b>	<b>1.2</b>	<b>2.1</b>	<b>0.6</b>	<b>3.9</b>
At 31 December 2024	1.5	1.9	1.1	4.5

As at 31 December 2025, \$4.2 million of fully depreciated property, plant and equipment was still in use (2024: \$1.7 million).

## 13 Right-of-use ("ROU") assets

\$ million	2025	2024
At 1 January	6.1	6.7
Remeasurements	4.5	1.0
Derecognition	(0.4)	—
Depreciation	(1.6)	(1.6)
	<b>8.6</b>	6.1

ROU assets relate to the Group's property leases over its office building and its warehouse in Suffolk. Leases include variable payments and termination or extension options.

During the year, the Group assigned its former office lease which was previously impaired when it was vacated. The ROU asset, lease liability, and dilapidation provision were derecognised, resulting in a \$0.3 million gain, net of exit costs.

The lease on the current office building was also extended, giving rise to a lease modification and remeasurement of the ROU and corresponding lease liability.

ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Details in respect of the Group's lease liabilities are disclosed in Note 18.

## 14 Inventories

\$ million	2025	2024
Components	114.1	92.9
Finished goods	31.2	63.8
	<b>145.3</b>	156.7

Inventories are stated net of provisions for write-downs to net realisable value, which are recognised as an expense in profit or loss. The movements in inventories presented in the cash flow statement reflect the net change in inventory balances after these provisions, net of the fair value adjustment in relation to the extended payable as discussed in Note 17. Accordingly, separate presentation of write-downs as non-cash adjustments in the reconciliation of profit to cash flows is not considered necessary.

During the year, \$235.5 million (2024: \$191.8 million) of inventories were charged as cost of sales. Write-downs of inventories to net realisable value amounted to \$1.5 million (2024: \$1.5 million). These were recognised as an expense during the year ended 31 December 2025 and included in cost of goods sold. The Group recorded an amount of \$1.1 million (2024: \$4.2 million) as income resulting from reversal of inventory write-downs that were previously recognised. The income was recognised within cost of sales to reverse the original expense. The remaining provision within inventories of \$6.6 million (2024: \$6.2 million) is for anticipated future obsolescence on specific slow-moving units.

As at 31 December 2025, \$5.3 million (2024: \$3.5 million) of inventories are committed and have been purchased back after the year end as part of repurchase liabilities described in Note 17.

## 15 Trade and other receivables

The Group considers that the carrying amount of trade and other receivables is a reasonable approximation of their fair value due to their short-term nature.

\$ million	2025	2024
Trade receivables	52.6	31.0
Prepayments	4.5	3.6
VAT receivable	1.6	0.9
Other receivables	0.8	0.7
	<b>59.5</b>	<b>36.2</b>

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management has assessed the expected credit losses on trade receivables and determined that no loss allowance is required in 2025 (2024: \$nil). Accordingly, no movement in the expected credit loss provision has been recognised in administrative expenses in the Consolidated Statement of Comprehensive Income. In 2025, Raspberry Pi Holdings plc was registered for VAT to account for VAT on intercompany services. This allowed a reclaim of VAT on some of the costs incurred as part of the IPO. As the registration and reclaim of VAT occurred towards the end of 2025 the amount reclaimed was still outstanding at the year end but was repaid by HMRC in February 2026.

\$ million	2025	2024
Current tax receivable	1.4	6.6

Owing to its size, the Group has to pay all of its expected corporation tax liability for the financial year, during the calendar year. In calculating and paying this corporation tax, no account can be taken of the Research and Development Expenditure Credit ("RDEC") that is claimed in the tax return and paid out by HMRC. This means that at the year end there is normally a current tax receivable. In 2025, the 2024 tax returns were submitted earlier than in previous years, meaning that RDEC for both 2023 and 2024 were received during 2025, reducing the net receivable at the end of 2025 compared to 2024.

## 16 Cash and cash equivalents

\$ million	2025	2024
Cash at bank	11.1	5.8
Money market deposits	17.0	40.0
	<b>28.1</b>	45.8

Cash and cash equivalents include money market deposits, cash at bank and cash in hand. Money market deposits are highly liquid and accessible on demand within 24 hours, and carry minimal risk of value changes due to interest fluctuations, ensuring certain returns of investment. The fair value of cash and cash equivalents equals their carrying amount when repayable on demand. The Group's cash and cash equivalents are held with Barclays Bank UK PLC with credit ratings of A-1 (S&P), P-1 (Moody's), and F1 (Fitch); and in a money market fund managed by JP Morgan Chase & Co with credit ratings of A-1 (S&P), P-1 (Moody's) and F1+ (Fitch).

## 17 Trade and other payables

\$ million	2025	2024
Trade payables	46.5	83.1
Accruals and other payables	6.5	7.1
Repurchase liabilities	5.9	4.4
Other taxation and social security	1.2	1.0
Deferred income – RDEC	0.5	0.5
	<b>60.6</b>	96.1

In 2024, the Group had extended payment terms of nine to twelve months with two electronic component suppliers. Supplier invoices totalling \$52.2 million were discounted to \$51.0 million with reference to observable market interest rates. These payables remained classified within the normal operating cycle.

As at 31 December 2025, there is no outstanding balance under these extended term agreements and no such arrangements are still in place. All trade payables are now subject to standard 30 to 45-day terms and are considered by management to approximate to their fair value.

Repurchase liabilities relate to components sold to contract manufacturers for producing finished products the Group has committed to buy. When the Group sells components and orders the assembly of a single board computer using those components, the cash from the sale is deferred as a repurchase liability. This liability is not released until the contract manufacturer delivers the completed product to the Group.

## 18 Lease liabilities

\$ million	2025	2024
At 1 January	6.2	7.1
Remeasurements	4.5	1.0
Derecognition	(0.9)	—
Interest	0.4	0.4
Principal repayment	(1.1)	(2.2)
Interest payment	(0.4)	(0.4)
Foreign exchange	0.2	0.3
	8.9	6.2

Refer to Note 13 for the disposals in the year.

Total cash payment made for leases amounted to \$1.5 million (2024: \$2.6 million) with \$0.4 million relating to interest (2024: \$0.4 million).

## Maturity analysis

\$ million	2025	2024
Less than one year	0.8	1.4
Between one and five years	6.1	5.2
Over five years	4.9	—
	11.8	6.6
Effect of discounting	(2.9)	(0.4)
	8.9	6.2

## 19 Financial commitments

In July 2022, the Group entered into a commitment to purchase other licences for intellectual property and related tools over the period to July 2025. This arrangement was amended in January 2025 extending the commitment to January 2027. As at 31 December 2025, the value of the commitment was \$7.8 million (2024: \$3.7 million). Subsequent to the year end, \$1.8 million of this commitment was settled in January 2026.

To ensure the uninterrupted supply of essential components to meet projected demand, the Group has established long-term supply agreements and placed substantial orders with key suppliers and distributors. As both the supplier (delivery) and the Group (payment once delivered) have obligations outstanding, they are not recognised as liabilities on the balance sheet. However, they are disclosed as significant contractual obligations to provide clarity on the financial commitments.

As of 31 December 2025, these agreements have committed to component purchases over a pre-defined schedule to December 2028 and are valued at \$265.7 million (2024: \$333.0 million). The long-term supply agreement relating to these commitments was subsequently revised as disclosed in Note 32.

In November 2025, communication was made to applicable employees on the intention to issue new Restricted Share Units, subject to Board approval, within an open period for employee share dealing purposes in calendar year 2026.

In December 2025, the Group had committed to pay for equipment for use by its contract manufacturer in the production of Raspberry Pi products. This commitment was made through a purchase order amounting \$1.3 million. The related cash outflow occurred after the reporting period.

## 20 Forward foreign exchange contracts

During the year, the Group entered into new forward foreign exchange contracts to manage short-term currency exposures arising from operational activities. These contracts are used primarily to reduce the impact of exchange rate fluctuations on forecasted transactions, receivables and payables denominated in GBP. Forward contracts that do not meet the criteria for hedge accounting under IFRS 9 are classified as financial instruments at fair value through profit or loss. As such, they are recognised on the balance sheet as financial assets or liabilities at fair value, with changes in fair value recognised

immediately in the income statement within administrative expenses, reflecting their connection to operational activities.

As at 31 December 2025, the aggregate contract amount of forward contracts not designated as hedging instruments was £21.0 million. Realised gains for contracts that matured in the year were immaterial, while unrealised fair value gains for outstanding contracts was \$0.2 million which was recognised in the Consolidated Statement of Comprehensive Income within administrative expenses.

These contracts expose the Group to foreign currency risk, credit risk and liquidity risk. The Group manages these risks in accordance with its financial risk management policies as disclosed in Note 21.

## 21 Financial instruments and financial risk management

All of the Group's financial assets and liabilities, with the exception of the forward exchange contracts which are measured at FVTPL, were non-derivative and measured at amortised cost in the current and comparative period comprising cash and cash equivalents, trade receivables, trade payables, and both short-term and long-term licence payables.

The Board regulates the use of free-standing derivatives (such as forward foreign exchange contracts) in accordance with established risk management strategies.

The Group is exposed to currency, liquidity and credit risks arising from its financial instruments. The Group's risk management policies are designed to mitigate potential adverse impacts on financial performance. The key risks are addressed as follows:

### 21.1 Market risk analysis

\$ million	2025	2024
Trade receivables	52.6	31.0
Cash and cash equivalents	28.1	45.8
Financial assets at amortised cost due within one year	80.7	76.8
Financial asset measured at FVTPL	0.2	—

**Currency risk:** The Group presents its condensed consolidated financial statements in US Dollars, being the currency that predominantly influences the sales prices; nonetheless, operations are primarily UK based, which is where the majority of employees work and activities occur. Consequently, the Group is exposed to foreign currency risk arising from exchange rate movements mainly between US Dollar, British Pound Sterling and Euro. These movements affect the value of transactions (e.g. UK payroll) and the translation of comparative financial results.

In accordance with IFRS 7, the Group is required to present a sensitivity analysis illustrating hypothetical changes in foreign exchange rates on profit or loss and shareholders' equity.

- A 10% strengthening of the US Dollar would result in an FX gain of \$0.4 million (2024: \$0.5 million).
- A 10% weakening of the US Dollar would result in an FX loss of \$0.3 million (2024: \$0.4 million).

The impact on profit and loss and shareholders' equity would be identical as no currency translation reserve or difference arises on consolidation as all subsidiaries share a US Dollar functional currency.

**Interest rate risk:** The Group has access to an RCF which remained undrawn at the reporting date and therefore did not give rise to interest expense. The Group does not have any external borrowings outside of property leases that contain fixed rates of interest in the current or comparative periods, and therefore interest rate risk is not considered material. Management 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.

### 21.2 Credit risk analysis

Exposure to credit risk emerges primarily through trade receivables of \$52.6 million (2024: \$31.0 million) for providing credit to customers in the normal course of business. In order to minimise credit risk, the Group has policies to check that potential customers 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. Commercial insurance is also obtained as deemed necessary. There have been no material instances of actual or expected credit losses during the current or prior financial years.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Any movement in expected credit loss provision is included in administrative expenses in the Condensed Consolidated Statement of Comprehensive Income.

**Liquidity risk:** Refers to the risk that the Group will not have sufficient financial resources to meet its obligations as they fall due.

\$ million	2025	2024
Trade payables	46.5	84.0
Other financial liabilities	1.3	3.0
Financial liabilities at amortised cost due within one year	47.8	87.0
Financial liabilities at amortised due over one year	—	1.3
Financial liabilities at amortised cost	47.8	88.3

The comparative figure for trade payables for the prior year was updated to correct a calculation error. The correction does not affect the overall liquidity risk assessment.

The amounts above reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

The Group mitigates this risk by:

- maintaining appropriate levels of cash and access to credit facilities;
- monitoring forecast and actual cash flows; and
- matching the maturity profiles of financial assets and liabilities.

The Group constantly reviews revenue, purchases, inventory and cash flow forecasts to ensure that obligations can be met as they arise. Since the Group's financial assets and liabilities arise from operations, with the exception of the non-current lease liabilities, they all have a maturity within the one-year business operating cycle.

The Group does not have any external borrowings in the current or comparative period; therefore, net debt is positive as net cash being \$19.2 million (2024: \$39.6 million) represented by cash and cash equivalents in Note 16 less the lease liabilities in Note 18.

As at 31 December 2025, the Group has access to an \$80.0 million undrawn RCF available until 4 March 2029.

## 22 Share capital and other reserves

The share capital represents the nominal value of share capital subscribed for. Raspberry Pi Holdings plc has the following share capital as at the reporting date.

Share capital	Number of shares	Nominal capital \$ million
Ordinary shares of £0.0025 each	193,582,149	0.6
Deferred shares of £0.0025 each	61,610,435	0.2
	255,192,584	0.8

### **Share capital**

193,415,715 ordinary shares of £0.0025 each have been listed for trading on the London Stock Exchange. During the year, as detailed in Note 23, additional shares were issued in connection with the vesting and release of share-based awards. 61,610,435 deferred shares of £0.0025 each were created as part of the share capital reorganisation. The deferred shares have no voting rights or rights to a dividend. It is intended for the holders of the deferred shares to transfer them to the Company otherwise than for valuable consideration pursuant to s659(1) CA 2006 in Q2 2025. They will then be cancelled pursuant to s662(1)(c).

### **Share premium account**

The share premium account records the amount above the nominal value received for shares issued, less transaction costs. The listing generated \$40.0 million in gross proceeds, with \$7.6 million in costs deducted directly from equity. At the time the costs were incurred, only a limited recovery of input VAT

was available, so the full expense was charged to share premium. During 2025 it was possible to reclaim \$1.4 million of VAT from HMRC. As the original costs were charged to share premium, the recovery was accounted for as an increase in share premium. The share premium account is in most circumstances not immediately available for distribution.

### **Share-based payment reserve**

This reserve represents the cumulative income statement charges for unvested employee share awards. Once the awards vest this reserve is recycled to retained earnings and the issue of equity is reflected in share capital, share premium or retained earnings as appropriate.

### **Merger reserve**

As described in Note 2.2, the Group completed a capital reorganisation in 2024. Subsidiary assets and liabilities were consolidated at book value, and consolidated reserves were adjusted to reflect the statutory share capital of the Company with the difference recorded in the merger reserve.

The merger reserve and retained earnings are presented gross on consolidation such that the Group's retained earnings are a reasonable measure of the underlying distributable reserves of the Company on a standalone entity basis as this is considered useful information for investors.

### **Retained earnings**

This reserve represents the total of all current and prior retained earnings available to facilitate future shareholder distributions.

## **23 Share-based payments**

All share-based payments are related to employee share schemes and are equity settled for shares of Raspberry Pi Holdings plc. Equity awards are a key component of the overall remuneration package, being essential for retaining, motivating and rewarding key employees.

The Group has four active equity-settled share schemes: market value options, nil-cost options, Restricted Share Units ("RSU") and Performance Share Units ("PSU"). In addition, awards under the Deferred Bonus Plan ("DBP") relating to 2025 performance will be granted in 2026.

The table below illustrates the number and movements in the schemes during the year:

	<b>Market value options</b>	<b>Nil cost</b>	<b>Restricted Share Units</b>	<b>Performance Share Units</b>
<b>Outstanding at beginning of the year</b>	11,561,566	253,773	—	—
Granted during the year	—	—	926,875	967,956
Forfeited during the year	(186,978)	—	(2,057)	—
Exercised during the year	(46,768)	—	(119,666)	—
<b>Outstanding at end of the year</b>	<b>11,327,820</b>	<b>253,773</b>	<b>805,152</b>	<b>967,956</b>

The share-based payment charges are as follows:

	<b>Year ended 31 December 2025</b>	Year ended 31 December 2024
\$ million		
Deferred Bonus Plan	<b>0.1</b>	—
Performance Share units and Restricted Share Units – granted on 14 May 2025	<b>3.4</b>	—
Market value and nil-cost options – granted on 11 June 2024	<b>5.2</b>	2.7
Legacy 2020 LTIP scheme – IFRS 2 charge	—	0.8
Legacy 2020 LTIP scheme – accelerated charge on settlement	—	1.2
	<b>8.7</b>	4.7

### **Deferred Bonus Plan**

The Deferred Bonus Plan is available to Executive Directors of Raspberry Pi Holdings plc. Awards are made in respect of performance in the financial year immediately preceding the grant and are based on performance against objectives set annually. Incentives are typically delivered partly in cash and partly in ordinary shares of the Company on a deferred basis.

The share element is usually granted as nil-cost options which vest after a three-year vesting period. The share-based payment charge is recognised over four years, reflecting the performance year and the subsequent vesting period. An unvested award will normally lapse if the Executive Directors leaves employment, unless they leave because of disability or ill health, a corporate event or are otherwise classified as a good leaver at the Board's discretion. Further details are provided in the Directors' Remuneration Report on page 75.

#### **Share-based awards granted in the year**

On 14 May 2025, the Group made additional equity grants comprising Restricted Share Units ("RSUs") and Performance Share Units ("PSUs").

The RSUs vest quarterly over a four-year period, subject to continued employment. They are not subject to any performance conditions. Each RSU carries an exercise price of one-quarter of a penny per share. Shares for the RSUs vesting in June and September 2025 were released in the year.

On 19 January 2026, the Company allotted 74,712 ordinary shares to its third-party share plan administrator to facilitate the settlement of share-based compensation awards that vested on 31 December 2025. This is a non-adjusting event under IAS 10.

The PSUs are subject to performance conditions based on earnings per share ("EPS") growth and relative total shareholder return ("TSR") compared to the FTSE 250, excluding companies in the Financial Services, Mining and Extraction, and Investment Trust sectors. Performance will be assessed over a three-year period, based on the cumulative EPS achieved over the three financial years. Vesting will occur on a straight-line basis between threshold and maximum performance targets.

PSUs granted to the Executive Directors of Raspberry Pi Holdings plc are subject to a post-vesting holding period of two years.

The following table sets out the key inputs used in the valuation models applied to each of the schemes.

	TSR Performance Share			Restricted	
	Units	EPS Performance Share Units	Share Units	Share Units	Share Units
Post-vesting holding period	None	2 years	None	2 years	None
Grant date			14 May 2025		
Number of awards granted	212,055	111,242	422,841	221,818	926,875
Grant date share price			£5.20		
Fair value of share	£4.25	£3.59	£5.20	£4.39	£5.20
Exercise price	—	—	—	—	£0.0025
Expected term	2.6 years	2.6 years	2.6 years	2.6 years	4 years
Expected volatility	35.0%	35.0%	35.0%	35.0%	n/a
Risk-free rate	3.90%	3.90%	3.90%	3.90%	n/a
Dividend yield	0.0%	0.0%	0.0%	0.0%	n/a
Valuation type	Monte Carlo	Monte Carlo	Grant date fair value	Adjusted grant date fair value (post-vesting restriction)	Grant date fair value

#### **Option awards granted upon Admission to the London Stock Exchange**

On 11 June 2024 immediately before the IPO, alongside the settlement of legacy share awards, new awards were granted in the form of market value options and nominal-cost options over shares of Raspberry Pi Holdings plc.

The market value options have an exercise price equal to the IPO share issue price of £2.80. The nominal-cost options have a quarter pence nominal exercise price. The awards vest on the third anniversary of the date of grant, subject to the employee remaining in Group employment. The awards are not subject to other performance or holding conditions. The options expire on the tenth anniversary of the date of grant or upon leaving.

The grant date fair value of the new awards was calculated with assistance from an external valuation expert using a Black-Scholes model with the following inputs and assumptions:

	<b>Market value options</b>	<b>Nil cost</b>
Grant date	11 June 2024	11 June 2024
Number of awards granted	11,561,566	253,773
Grant date share price	£2.80	£2.80
Exercise price	£2.80	£0.00
Expected term	5 years	3 years
Expected volatility	35.0%	35.0%
Risk-free rate	4.2%	4.4%
Dividend yield	0.0%	0.0%

***Key assumptions in calculating the fair value of the awards***

Equity schemes granted on 11 June 2024 and 14 May 2025 used a volatility assumption of 35.0%. This was determined in reference to the midpoint between the mean and median enterprise value volatilities of a selected peer group of listed technology and software companies and is consistent with the volatility input applied in the valuation of the market value option grant issued in June 2024.

An employee attrition rate of 5% was applied in calculating the fair value of the awards, reflecting management's expectations of forfeiture based on the post-IPO environment.

***Settlement of 2020 LTIP scheme upon listing on the London Stock Exchange***

In 2020, the Board approved a Long-Term Incentive Plan ("LTIP") and up to the listing date had awarded 19,480 B ordinary shares to employees. These shares were designed to participate in the proceeds from an exit, defined as the Company's sale or a stock exchange listing. On the sale of Raspberry Pi Ltd to Raspberry Pi Holdings plc in May 2024, the B shares were exchanged for shares with equivalent rights in Raspberry Pi Holdings plc.

Upon listing on the London Stock Exchange, all outstanding awards vested and settled by the granting of ordinary shares in Raspberry Pi Holdings plc. When the awards vested in 2024, the cumulative \$3.3 million charged to the income statement since 2020 was transferred to retained earnings.

## 24 Alternative performance measures ("APMs")

Adjusted EBITDA (as presented in the Condensed Consolidated Statement of Comprehensive Income), adjusted operating profit, adjusted research and development expenses and adjusted administrative expenses are non-IFRS measures used by the Board and management to monitor the Group's performance.

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Operating profit</b>	<b>28.0</b>	17.6
Amortisation and depreciation	<b>10.5</b>	10.7
<b>EBITDA</b>	<b>38.5</b>	28.3
Share-based payment charges	<b>8.7</b>	4.7
NI on share-based payment charges	<b>(0.8)</b>	1.3
Employee share schemes	<b>7.9</b>	6.0
Non-recurring costs	<b>—</b>	2.9
<b>Adjusted EBITDA</b>	<b>46.4</b>	37.2
Amortisation and depreciation	<b>(10.5)</b>	(10.7)
<b>Adjusted operating profit</b>	<b>35.9</b>	26.5

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Research and development expenses</b>	<b>22.5</b>	17.9
Amortisation (net of capitalised amortisation)	<b>(6.8)</b>	(6.3)
Share-based payment charges	<b>(5.1)</b>	(2.3)
NI on share-based payment charges	<b>0.6</b>	(0.6)
<b>Adjusted research and development expenses</b>	<b>11.2</b>	8.7

\$ million	Year ended 31 December 2025	Year ended 31 December 2024
<b>Administrative expenses</b>	<b>27.6</b>	27.7
Depreciation (net of capitalised depreciation)	<b>(3.7)</b>	(4.4)
Share-based payment charges	<b>(3.6)</b>	(2.4)
NI on share-based payment charges	<b>0.2</b>	(0.7)
Non-recurring costs	<b>—</b>	(2.9)
<b>Adjusted administrative expenses</b>	<b>20.5</b>	17.3

## **25 Controlling shareholder(s)**

Under UK Listing Rule 5.3, a controlling shareholder is any party that, alone or with others, controls 30% or more of voting rights. No single entity holds a majority stake in the Group or is considered its ultimate controlling party.

The Raspberry Pi Foundation (the "Foundation") is a registered charity in England and Wales (Charity No. 1129409), owns 90,326,121 (46.7%) ordinary shares in the Company through its wholly owned subsidiary, Raspberry Pi Mid Co Limited (the "Controlling Shareholder"), and is incorporated in England and Wales (Reg. No. 13603843). The address of both entities is 37 Hills Road, Cambridge CB2 1NT.

As disclosed to the takeover panel prior to the initial public offering in May 2024, the Group believes that Ezra acts in concert with the Foundation. With a combined shareholding of 50.02%, a parallel Relationship Agreement with Ezra was also executed on 11 June 2024. As at 31 December 2025, the combined shareholding was 49.98%, as set out in the Directors' Report.

On 11 June 2024, the Group entered into Relationship Agreements with the Foundation, the Controlling Shareholder and the Ezra Charitable Trust (together, the "Controlling Shareholders") to ensure the Group operates independently, at arm's length and on a normal commercial basis. These agreements prohibit the Foundation from voting on matters affecting itself or actions that could breach UK Listing Rules or compromise the Group's independence.

The Controlling Shareholder may nominate up to two Non-Executive Directors if its shareholding exceeds 25%, or one if above 10%. Currently, Daniel Labbad, a trustee of the Foundation until 10 June 2024, is the sole Board Director of the Company nominated by the Foundation in this manner. All other Board members were appointed independently.

In September 2020 Raspberry Pi Ltd and the Foundation entered into an agreement to transfer the Raspberry Pi brand to Raspberry Pi Ltd. As a condition of that agreement Raspberry Pi Ltd undertook to provide low-cost computers to education customers. Failure to meet this would result in trademark ownership reverting to the Foundation. On 21 February 2024, Raspberry Pi Ltd amended its trademark agreement with the Foundation, to change the definition of low cost to be a price of no more than \$45 (or, if higher, manufactured cost plus 20%, plus applicable taxes and fees).

During the year, the Foundation purchased \$24,000 (2024: \$27,400) in goods from the Group. The Group had historically provided life assurance and medical insurance for employees jointly with the Foundation. For administrative simplicity the Group paid the entire premium and recharged the relevant share to the Foundation. Annual arrangements were in place at the time of the listing and accordingly will continue to their expiry. Post-listing pension contributions and life assurance costs for the Foundation, totalling \$1.6 million (2024: \$0.8 million), were recharged. No amount was outstanding at the end of the year (2024: \$47,200). These transactions do not relate to the main business of the Group. All other related party transactions are disclosed in Note 26.

As required by UK Listing Rule 6.2.3, all the Independent Directors confirm that, since listing, the Group has operated independently from the Controlling Shareholders at all times.

## **26 Related party transactions**

The Group's related parties include subsidiary undertakings, Board members and their close family members, and principal shareholders holding 10% or more of voting rights.

Transactions between the parent and subsidiaries are eliminated on consolidation and are not disclosed in this note.

Key management personnel is defined as the Board. Board remuneration is detailed in Note 6 and in the Directors' Remuneration Report. In addition to the short-term employee benefits, post-employment benefits and share-based payment expenses outlined in Note 6, a total of \$0.2 million (2024: \$0.3 million) was paid for social security contributions related to key management personnel. Related party transactions with the Controlling Shareholder are disclosed in Note 25.

During the year, members of the Board and their close family members undertook the following share dealings:

Transaction date	Party	Transaction type	Number of shares	Transaction price
30 January 2025	Close family member	Sale of shares	56,000	£7.10
17 June 2025	Executive Directors	Sale of shares	500,000	£4.55
30 July 2025	Close family member	Sales of shares	16,200	£4.29
31 July 2025	Close family member	Sale of shares	13,800	£4.19
5 November 2025	Executive Director	Purchase of shares	5,832	£3.43
17 November 2025	Executive Director	Purchase of shares	6,036	£0.00
		Transfer of shares into Self-Invested Personal Pension ("SIPP")		
21 November 2025	Non-Executive Director	Pension ("SIPP")	12,000	£0.00
28 November 2025	Executive Director	Purchase of shares	3,078	£3.23
1 December 2025	Executive Director	Purchase of shares	3,127	£3.18

## 27 Events after the reporting period

The Group entered into an amendment to a long-term supply agreement as disclosed in Note 19. The amendment, effective from 1 January 2026, modifies the remaining contractual commitments, with a total value of approximately \$300.0 million over the period 2026 to 2030 and includes updated supply obligations with the supplier. As the agreement was executed after the reporting date, no adjustments to the financial statements for the year ended 31 December 2025 are required.

## 28 Material accounting policies

This note provides a list of other potentially material accounting policies adopted in the preparation of these condensed consolidated financial statements to the extent that they have not already been disclosed in the notes above. These policies have been consistently applied to all of the years presented, unless otherwise stated. The financial statements are for the Group consisting of Raspberry Pi Holdings plc and its subsidiaries as listed in the Company financial statements.

### 28.1 Revenue recognition

Revenue is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers". Revenue is recognised when control of goods or services is transferred to the customer, reflecting the consideration expected to be received. The five-step model in IFRS 15 is applied, except for royalties for the licence of intellectual property as explained below. Revenue is only recognised if an enforceable right to payment can be demonstrated.

**Product revenues:** Generated by supplying single board computers ("SBCs"), compute modules, accessories and semiconductors from our contract manufacturer directly to Approved Resellers ("ARs") and original equipment manufacturers ("OEMs"). The Group acts as principal in these direct distribution transactions. Revenues are recognised at the point in time when physical possession of the product has transferred to the customer, based on fixed prices per unit. The transfer is evidenced by receipt of an undisputed delivery note, as the sole performance obligation is satisfied.

**Royalties:** Earned per unit on products that customers manufacture (e.g. Pi 5) and sell (e.g. Pi 4) through licensing of designs and trademarks. According to IFRS 15, the sales-based or usage-based royalty exception (paragraph B63) applies, as the licence is the predominant performance obligation. Royalties are recognised on an accruals basis in accordance with the underlying agreement when the subsequent sale or usage event that triggers the royalty occurs and are presented net of any amounts collected on behalf of third parties, regardless of whether the licence is a right to use or right to access.

**Component revenues:** Recognised at the point in time when physical possession of the product has transferred to the customer, based on fixed prices per unit, following the accounting policy for product revenues, unless the Group has made a promise to repurchase the component.

**Sales returns provision:** The Group recognises a provision for expected sales returns on SBCs, which typically include a 12-month warranty under standard sales terms. Returns are assessed at each reporting date, and if no significant returns are expected, no provision is recognised. This estimate is

periodically reviewed based on emerging trends and historical data. As there has been no history of material returns, no such provision has been recognised to date.

**Repurchase liabilities:** These occur when the Group sells components to the contract manufacturer and simultaneously raises an order for the manufacture of a finished product that contains the same component. As the Group will subsequently repurchase the asset, control has not been transferred, with the contract manufacturer limited in its ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Consequently, in accordance with paragraph B66(b) of IFRS 15, the transaction is treated as a financing arrangement. The inventory is not derecognised, and instead the cash received from the contract manufacturer is treated as a short-term financial liability. On repurchase, the repurchase price which represents the cost of the finished goods including processing costs incurred by the contract manufacturer, is capitalised as inventory in accordance with the Group's inventories policy (Note 28.10). No financing component is separately recognised owing to the immateriality of the time value of money within standard 30-day payment terms. These costs are recognised in cost of sales upon sale of the finished goods.

**Principal versus agent:** The Group evaluates the following indicators, among others, when determining whether it is acting as a principal or agent in the transaction and recording revenue on a gross or net basis:

- (i) The Group is primarily responsible for fulfilling the promise to provide the product.
- (ii) The Group has inventory risk before the product has been transferred to a customer.
- (iii) The Group has discretion in establishing the price for the product.

The Group also operates a publishing business, Raspberry Pi Press, which produces magazines and books, as well as the Raspberry Pi Store in Cambridge, England. All revenue is recognised at the point in time that the product is transferred to the customer, except for publishing revenue, which is recognised over the length of the magazine subscription. Furthermore, the Group applies IFRS 15 practical expedients for significant financing components and costs to fulfil contracts, as the Group's sales cycles are generally short term and do not exceed 12 months.

## **28.2 Cost of Sales**

The Group recognises cost of sales at the point at which it recognises revenue as explained above. Cost of sales predominantly relates to the cost of goods or services purchased from suppliers and then sold to customers. 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. The Group considers the cost of shipping its products to the customer to be directly associated with generating revenue and therefore presents these costs (2025: \$3.5 million; 2024: \$1.9 million) within cost of sales. The 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 the licensee channel is borne by the licensee.

## **28.3 Foreign exchange**

All material entities have a US Dollar functional currency. The US Dollar primarily influences both the sales prices for products and services and the cost of associated raw materials and component parts.

As the Group's presentational currency is also US Dollars no exchange reserve arises on consolidation.

Underlying foreign currency transactions (primarily transactions in Sterling) are translated into US Dollars using daily average exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of Sterling-denominated working capital items, are recognised in the Condensed Consolidated Statement of Comprehensive Income.

## **28.4 Segmental analysis**

The Group determines and presents operating segments based on the information that is provided internally to the Board, which is the Group's Chief Operating Decision Maker ("CODM").

It is the view of the Directors that the 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 financial statements.

### **28.5 Current and deferred taxation**

The tax expense for the period consists of the tax payable on the current period's taxable income, based on applicable income tax rates, adjusted for changes in deferred tax assets and liabilities due to temporary differences. Current tax receivables and payables are measured at the expected amount to be recovered from or paid to tax authorities, based on the annual corporation tax return prepared with our tax advisers, in accordance with enacted or substantively enacted UK tax rates and legislation.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. It is calculated using tax rates that have been enacted or substantively enacted by the reporting period's end and are expected to apply when the timing differences are resolved. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise them.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to do so, and they relate to the same taxation authority. Current tax assets and liabilities are similarly offset when there is a legal right to net them, or to realise the asset and settle the liability simultaneously. Excess tax benefits beyond IFRS 2 charges are recognised in equity.

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised accordingly in those areas.

The Group applies IFRIC 23 "Uncertainty over Income Tax Treatments" when assessing tax positions where uncertainty exists regarding acceptance by tax authorities. Under IFRIC 23, tax treatments are evaluated based on whether it is probable that the relevant tax authority will accept them. If acceptance is not probable, the most likely outcome or expected value approach is applied to determine the tax position. The Group recognises uncertain tax positions in current or deferred tax calculations and records provisions where necessary. Changes in facts or circumstances are monitored, and adjustments are made as required. The Group's policy ensures consistent application of IFRIC 23 principles, with judgements reviewed regularly in consultation with external tax advisers.

### **28.6 Intangible assets**

Externally acquired intangible assets predominantly relate to software licences which are initially recognised at cost and subsequently amortised over the life of the licence. All other intangible assets are amortised straight line over a period of three to eight years.

The accounting for capitalised pipeline development projects is considered to contain a critical judgement upon initial capitalisation of the costs and a critical estimate in determining the useful lives of the projects once launched. Refer to the critical judgements and estimates relating to these items in Note 2.5.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within research and development expenses in the Condensed Consolidated Statement of Comprehensive Income.

For capitalised pipeline development costs that are not yet complete, these costs are not amortised but subject to mandatory annual impairment testing in accordance with IAS 36.

### **28.7 Property, plant and equipment**

Property, plant and equipment ("PPE") are stated at historical cost less depreciation and impairment. Depreciation uses the straight-line method, with asset residual values, useful lives and depreciation methods reviewed periodically. All PPE is depreciated over three years except for leasehold improvements which are depreciated with reference to the life 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.

## 28.8 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as assets with a value of \$5,000 or less when new). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term or payments are changed.

## 28.9 Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contract provisions.

They are initially measured at fair value with subsequent measurement dependent on their classification as either amortised cost or fair value through profit and loss or other comprehensive income.

The Group's financial instruments comprise financial assets and liabilities measured at amortised cost and derivative financial instruments measured at fair value through profit or loss.

- **Cash and cash equivalents** comprise cash at bank and in hand and short-term deposits maturing in less than three months. For the purposes of the Condensed Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.
- **Trade and other receivables** are recognised at fair value (which ordinarily reflects the invoice amount) and carried at amortised cost, less an allowance for expected lifetime losses as permitted under the simplified approach in IFRS 9.
- **Trade payables and other payables** are not interest bearing and are recognised at fair value (which ordinarily reflects the invoice amount) and subsequently at amortised cost.

Trade receivables and payables are amounts due from customers or owed to suppliers in the ordinary course of business. As they are subject to standard payment terms these balances are considered current and are recognised at their invoice value, being a reasonable approximation of fair value due to their short-term nature. They are recognised initially at the invoice amount, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and it therefore measures them subsequently at amortised cost.

Interest-bearing loans and overdrafts are initially recorded at fair value, net of direct issue costs, and subsequently measured at amortised cost using the effective interest method, with interest expense recognised over the term of the liabilities. Since the RCF is undrawn, the arrangement fee cannot be offset against any borrowing and is therefore recognised within other debtors and prepayments. The arrangement fee is amortised over the term of the RCF. Although there are currently no external borrowings drawn, the Group has access to the RCF, necessitating the inclusion of this accounting policy.

The Group's activities expose it to financial risks from fluctuations in foreign exchange and interest rates. The Board regulates the use of free-standing derivatives (such as forward FX contracts) in line with established risk management strategies

- **Derivative financial instruments** comprise of forward foreign exchange contracts to manage short-term operational currency exposures, primarily to reduce the effect of fluctuations in GBP on forecasted transactions, receivables and payables.

Forward foreign exchange contracts are recognised on the Condensed Consolidated Statement of Financial Position at fair value. Forward contracts that do not meet the criteria for hedge accounting under IFRS 9 are classified as financial instruments at fair value through profit or loss. Changes in fair

value of contracts not qualifying for hedge accounting are recognised in profit or loss and classified within administrative expenses, reflecting the operational nature of the contracts.

Fair values are determined using observable market inputs and are classified as Level 2 in the fair value hierarchy. The Group's use of forward contracts exposes it to foreign currency, credit and liquidity risks, which are managed in accordance with the Group's financial risk management policies.

### **Derecognition of financial assets**

The 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition 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 derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Condensed Consolidated Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when the Group's obligations are discharged or 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 Condensed Consolidated Statement of Comprehensive Income.

#### **28.10 Inventories**

Inventories, which comprise components and finished goods for resale, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving inventories. Cost comprises all costs of purchase and cost of conversion (excluding borrowing costs). 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.

For finished goods acquired under repurchase arrangements with contract manufacturers (Note 28.1), cost includes the repurchase price paid, which incorporates the cost of conversion.

#### **28.11 Provisions**

A provision is recorded in the Condensed Consolidated Statement of Financial Position when the Group has a legal or constructive obligation arising from a past event, and it is likely that settling the obligation will require an outflow of economic benefits.

If the impact is material, the provision is calculated by discounting the anticipated future cash flows at a pre-tax rate that reflects current market views on the time value of money and, where relevant, risks specific to the liability.

When discounting is applied, the increase in the provision over time is recognised as a finance cost. If it is virtually certain that an insurer will reimburse part or all of the economic outflows required to settle a provision, the reimbursement amount is recognised as an insurance receivable asset and reported separately within other receivables, provided the receivable amount can be measured reliably.

#### **28.12 Employee benefits**

Liabilities for wages, salaries, non-monetary benefits and annual leave expected to be settled within 12 months are recognised and measured at the expected amounts. Defined contribution plans are expensed as incurred on an accruals basis.

#### **28.13 Deferred income - RDEC (government grants)**

The Research and Development Expenditure Credit ("RDEC") is accounted for as a government grant where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. The tax credits are initially recognised once they are receivable on an accruals basis. Whilst IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" excludes tax credits from its scope, so does IAS 12 "Income Taxes" and no other standard either includes it or appears relevant; therefore, in the absence of any other specific guidance, we follow IAS 20 as it is considered normal in this scenario.

To the extent that the credits relate to expenses already incurred the income is presented as a reduction in R&D expenses, offsetting the underlying costs that the RDEC incentives are intended to compensate.

To the extent that the credits relate to pipeline development costs that have been capitalised within intangible assets, the income is initially deferred onto the Condensed Consolidated Statement of Financial Position and then subsequently recognised in profit and loss to match the amortisation of the related costs being compensated. This income is presented as a reduction in R&D expense within operating profit as the income is taxable.

#### **28.14 Share-based payments**

The Group issues equity-settled share-based payments which are fair valued at the grant date. For awards valued by reference to the Company's share price, the opening market price on the grant date is used. Once the grant date fair value has been determined, it is recognised in the Condensed Consolidated Statement of Comprehensive Income on a straight-line basis over the vesting period, with appropriate adjustments for forfeitures. Where vesting periods or other vesting conditions apply, the expense is allocated over the relevant vesting period based on the best available estimate of the number of share options expected to vest. The corresponding credit is to the share-based payment reserve. Upon vesting, amounts recognised in the share-based payment reserve are transferred to retained earnings.

#### **28.15 Own shares**

The Group provides finance to Employee Benefit Trusts to either purchase Company shares on the open market, or to subscribe for newly issued share capital, to meet the Group's obligation to provide shares when employees exercise their options or awards. Costs of running the Trusts are charged to the Condensed Consolidated Statement of Comprehensive Income. Shares held by the ESOP Trusts are deducted from reserves and presented in equity as an own share reserve until such time that an employee exercises their award. At the reporting period, there were 155,226 shares in the Trust at historical cost of approximately \$500.

#### **28.16 Dividends**

Dividends are recognised when they become legally payable. In the case of final dividends, this is when approved by the shareholders at the AGM. Interim dividends are recorded when paid.